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NEWS SUMMARY

GENERAL

'Five gunmen' at siege embassy

Five gunmen, not three, may be holding more than 20 hostages at the Iranian embassy in London, said Scotland Yard Assistant Commissioner John Dellow.

But police admitted they still did not know exactly how many hostages and terrorists were in the building and they disclosed little about their negotiations with the gunmen, or the involvement of two BBC executives who were called to the embassy.

At least 50 pro-Khomeini students left an embassy compound after an Iranian diplomat read a message from President Banni-Sadr thanking them for their support and telling them to leave.

Labour triumphs

Labour Party had a net gain of 476 seats and the Tories a loss of 393 in local elections in England and Scotland. Liberals had a net gain of 75. Scottish Nationalists a loss of 92, and others a loss of 71. Back and Page 4

Spanish reshuffle

Spanish Premier Adolfo Suaraz reshuffled his 24-man Cabinet, bringing in six new members, after three weeks' turmoil in his ruling Union de Centro Democratico.

Ulster killing

British soldier was shot dead in Belfast as troops were about to move in on a building they had under observation.

Soldier dies

Teenage soldier died on a training run near Aldershot, the third army death in the area in 12 months. Three SAS members have died over the same period

Olympic cash fear

British Olympic Association may go into liquidation if it fails to reach its cash target, chairman Sir Dennis Follows warned. At least £1,000 was still needed to send 200 athletes and 60 officials to Moscow.

Cubans attacked

About 400 Cuban refugees sought shelter in U.S. offices in Havana after being attacked by a mob apparently brought to the scene in Government buses, the State Department said.

Italy fraud trial

Rome court officials said that 36 Italian soccer personalities and two bookmakers are to stand trial on June 13 on fraud charges in the wake of the country's illegal betting scandal.

Swedish crisis

Sweden's industry and much of its commerce was paralysed as almost 900,000 workers were locked out or went on strike over wage disputes.

Hear all about it

Weekly newspaper the Northumberland Gazette is using a town crier to give the local news to Alnwick during the provincial print dispute.

Briefly . . .

Tremors and explosions rocked Mount Etna, Sicily.

Nepalese voted heavily in a referendum over revival of political parties, banned 20 years ago.

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

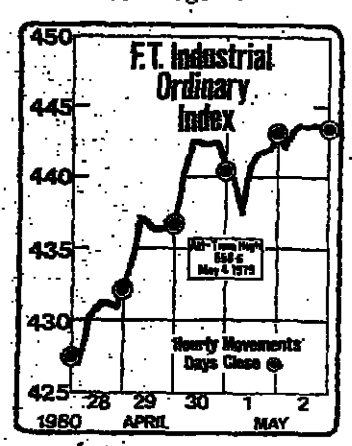
The Financial Times will not be published on Bank Holiday Monday, May 5.

BUSINESS

Equities gain 16 in week; Gold up

● GILTS closed firmer despite a new medium tap and some profit-taking Longs gained up to ¾ and shorts up to ⅛. The Government Securities index was up 0.43 at 67.7. Page 28

● EQUITY leaders regained early losses and the FT 30-share index rose 0.4 to 443.6, up 16.1 on the week. Page 28



● STERLING lost 47 points to close at $2.2555, although its trade-weighted index rose to 73.2 from 72.9. DOLLAR rose to DM 1.8245 (DM 1.8020) and its index was 87.2 (86.8). Page 27

● GOLD gained $15 an ounce in London to $512.50. Page 27

● WALL STREET was 1.88 higher at 810.67 before the close. Page 22

● U.S. UNEMPLOYMENT rose by 825,000 to 7.3m in April—representing 7 per cent of the workforce, compared with 6.2 per cent in March. Back Page

● THE HUNT brothers of Texas told a Congressional hearing that they were negotiating for a $1bn loan from U.S. banks to pay off debts incurred during their dealings in the world silver market. Back Page

● BRITAIN'S official reserves rose by just over $1bn last month to a record $28.01bn, mainly because of a fresh revaluation of a part of its gold holdings. Back Page

● MOBIL has won Government approval for a £600m-£700m plan to increase production from its Beryl oil field in the North Sea. Page 4

● A COMMONS all-party committee has questioned in a highly critical report several key assumptions of the Government's economic strategy and public spending plans. Page 3

● THE NEW Companies Act, which makes insider dealing a criminal offence and lays down stricter guidelines for directors, becomes law after receiving the Royal Assent on Thursday.

● FISH IMPORTS rose by 53.8 per cent in the first quarter of 1980 to 100,000 tonnes, compared with 65,000 tonnes a year ago. Page 3

● MINERS at the Wales TUC annual conference agreed to withdraw a motion condemning fellow unions for not supporting the fight against steel and coal job losses. Page 4

COMPANIES

● M & G GROUP (Holdings), unit trust manager, reports taxable profits down to £2.31 for the year to September 30, 1979, compared with £3.11m surplus a year ago. Page 20; Lex, Back Page

● MARSHALL CAVENDISH, magazine and book publisher, saw pre-tax profits drop from £1.78m in 1978 to £272,000 last year, but expects better results this year. Page 20

● MATSUSHITA Electric Industrial of Japan raised consolidated net profits for the first quarter by 34 per cent to a record Y26.09bn ($109m). Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Std. Telephones Cl.	288	+ 6
Excheq. 12½pc '92	£91[illegible]	+ [illegible]	Staveley	190	+ 8
Exchq. 13pc '13-17	£94[illegible]	+ [illegible]	Trusthouse Forte	180	+ 5
Applegard	53	+ 5	Union Discount	425	+ 10
BAT Inds.	255	+ 4	CCP N. Sea	290	+ 10
Bell (A.)	178	+ 5	Candecca	150	+ 12
Blockleys	84	+ 6	Siebens (UK)	780	+ 40
FC Finance	90	+ 10	Impala Platinum	262	+ 8
Friedland Doggart	105	+ 13	Tanks	266	+ 6
Hambros	398	+ 15	FALLS		
ICI	376	+ 6	Hunting Gibson	92	− 13
Kitchen Queen	17	+ 2	Lockwoods	56	− 8
Lloyds Bank	296	+ 6	Meltoy	27	− 4
ML Holdings	275	+ 10	Newarthill	240	− 10
Provident Financial	117	+ 5	Cons. Gold Fields	458	− 8
Quest Automation	120	+ 8	MIM Holdings	190	− 5

Critical vote faces Joseph over British Steel appointment

BY ELINOR GOODMAN AND ROY HODSON

Sir Keith Joseph is expected to face what will amount to a vote of confidence next week over his handling of the appoinment of Mr. Ian MacGregor to the British Steel Corporation chairmanship.

Before the expected vote Sir Keith's decision will be fiercely defended by the Prime Miinster as part of a campaign by Ministers to counteract the blast of criticism which met Thursday's announcement of the appointment and its terms.

The Government is pay up to nearly £2m to Lazard Freres, the New York investment bank, in return for Mr. MacGregor, a partner, being released to take the British Steel job.

Mr. MacGregor, 67, made clear when he arrived in London from New York yesterday that job losses in BSC beyond the planned cuts of 52,000 are virtually certain after he takes over in July.

He said he hoped that BSC, which is losing more than £450m a year, could become profitable within his three-year term of office.

But a smaller workforce and a lower output than the 15m-tonnes-a-year level now planned appear to be his recipe for putting the corporation back on its feet.

"My greatest concern is not how many redundancies we will have, but how many jobs we can salvage," he said.

The Government refused yesterday to make time next week for a special debate on the appointment, in spite of claims by the Opposition that the extraordinary terms of the contract had raised the question of Sir Keith's competence to do his job.

But Mr. Norman St. John Stevas, Leader of the House, agreed to have discussions with the Opposition to see if time could be found for debate the week after.

Ministers hope the outcry which greeted Thursday's announcement will have died down on the Conservative side of the House by then.

But the signs yesterday were that there was still a great deal of unhappiness on the Tory benches about the way the affair has been handled, and that it might have done long-term damage to Sir Keith's credibility among Tory MPs.

In a heated exchange Mr. St. John Stevas insisted that in his view and that of th whole view and that of the whole Government Mr. MacGregor was the best man for the job.

There wil be a co-ordinated Government effort in the next few days to counter the impression that Sir Keith had gone out on a limb.

But only a handful of Ministerms were aware in advance of the terms of Mr. MacGregor's contract.

Mrs. Thatcher, who has always been very loyal to Sir Keith, was adamant yesterday that the Government had done the right thing.

The Downing Street view was that the money being paid to Lazard Freres was insignificant compared with the hundreds of millions of pounds a successful chairman of BSC could save the Exchequer by turning round its massive losses.

Even if the Commons debate does not take the form of a motion of censure on Sir Keith, the Opposition claims it will amount to one, and that he would feel obliged to resign if the Labour motion were supported by many Tory MPs.

Mr. MacGregor's first priority will be to devise schemes to match BSC's production plants against realistic appraisals of future market prospects at home and abroad.

But he has no intention, he said yesterday, of presiding

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Weekend Brief, Page 19

2,000 Talbot men face one-day week over Iran

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ABOUT 2,000 employees of Talbot UK, the former Chrysler car group, will be switched to one-day-a-week working if Britain implements an embargo on trade with Iran on May 17, the unions were told yesterday.

Ironically, the Iranian problems have resurfaced just after the British Government has handed a further £5m to Talbot.

They also come at a time when productivity has shown a major improvement so that the UK plants are performing better than Talbot factories in France.

Mr. George Turnbull, chairman of the group, expects to meet Sir Keith Joseph, Industry Secretary, next week to discuss the difficulties Talbot would face following a trade embargo.

The group supplies about 100,000 car kits a year to the Iran National company. This represents about 15 per cent of Talbot UK's business or £130m to £150m a year.

If Talbot has to go ahead with one-day working, it will take advantage of the Government's Temporary Short Time Working Compensation which will cover about 75 per cent of each employee's usual wage. Those mainly affected will be at the Stoke, Coventry, engine plant.

The 10-year contract could have ended this month but under the original terms continues to run until one of the parties gives one year's notice in writing.

Reports from Tehran suggest that Talbot has been increasing shipments of the car kits, based on the old Hillman Hunter and called the Peykan in Iran, and it is estimated stocks there will soon amount to five times the normal month's supply.

Mr. Turnbull said Talbot UK is still on course to break-even this year and to make a profit in 1981. If a trade embargo lasted two or three months the impact would not be too great. But if it went on much longer the implications would be very serious.

In a week or so the group will formally reveal that its losses last year reached around £40m. Under the terms of the financial rescue operation for Talbot, agreed four years ago, the UK Government's contribution towards the 1979 losses was limited to £5m.

This has now been paid, as has the £5m which was Chrysler UK's maximum contribution. The rest of the loss was covered by a £30m cash injection from Talbot's French parent, PSA Peugeot-Citroen.

Productivity was now higher than in the Talbot plants in France and if this continued to the end of 1980 it would enable the UK management to justify further investment.

Rolls-Royce loses £58.4m

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE, the State-owned aero-engine manufacturer, incurred a pre-tax loss of £58.4m on a record volume of business last year, compared with a profit of £11.7m in 1978.

The results were "very disappointing" said chairman Sir Frank McFadzean. He says in the annual report that £15m of the loss was due to the engineering dispute last autumn which lasted 11 weeks and shut the company's factories for three weeks.

The dominant reason for the loss was the effect on the company of the continued weakness of the U.S. dollar. The company sells engines for dollars, but incure manufacturing costs in sterling.

Nevertheless, Sir Frank remains confident that the company will do better this year, with a return to profitability hoped for by 1981.

A pre-tax loss by the company had been predicted, but the £58.4m is much less than many forecast. Some unofficial reports had put it as high as £100m.

Sir Frank says that had it not been for the engineering dispute and the exchange rate problem, the company would have earned a small profit.

He says the assumptions underlying the rates of exchange used by the company in calculating its engine sales offers were accepted at the time as reasonable by both the National Enterprise Board and the Government Departments.

In the event, fluctuations were sharper than anticipated and orders which were expected to be profitable when first booked are now likely to be unprofitable.

Sir Frank says total sales last year amounted to a record £848m, of which civil sales accounted for £360m and military £488m.

At the end of the year, the backlog of orders was at a record £1,949m, of which £1,355m was in engines and £594m in spares and other business.

Exports accounted for £348m of sales, or about 41 per cent.

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For latest Share Index 'phone 01-246 8026

Chairman of BL 'worth £100,000'

By John Elliott, Industrial Editor

A FIGURE in excess of £100,000 a year has been mooted within BL as the correct salary for the combined job of chairman and chief executive of the company. Sir Michael Edwardes currently receives £57,200 a year.

Mr. Ian MacGregor, the new chairman of British Steel, was involved in talks on the salary figures towards the end of last year in his capacity as non-executive deputy chairman of BL. But no new salary level has yet been agreed.

A salary of around £100,000 would be far above the current £40,000 to £50,000 broad range for nationalised industry chairmen, some of whom are already annoyed by the terms of Mr. MacGregor's appointment to BSC. The Government is paying up to £1.8m to Lazard Freres, the New York investment bank, as a "transfer fee."

The Government's willingness to agree special terms in order to persuade people to become chairmen of nationalised industries will be demonstrated again early next week when Mr. Robert Atkinson, 64, is appointed chairman of British Shipbuilders.

He is at present full-time chairman of Aurora Holdings, the Sheffield-based special steels and engineering group, and he has persuaded the Government to allow him to remain as non-executive chairman for an indefinite period.

He will join British Shipbuilders on June 1 and will then take over the chairmanship from Admiral Sir Anthony Griffin a month later.

Mr. Atkinson will also perform the duties of chief executive of British Shipbuilders, replacing the present holder of this job, Mr. Michael Casey, who leaves this month. A separate chief executive may be appointed later.

But there is no sign of Aurora Holdings following the lead set by Lazard Freres and asking for a transfer fee for Mr. Atkinson.

The £100,000 salary level at BL was first considered late

Continued on Back Page

£ in New York

—	May 1	pervious
spot	$2.2600-2615	$2.2525-2645
1 moonth	0.60-0.55 dis	0.77-0.71 dis
3 months	1.48-1.42 dis	1.55-1.49 dis
12 months	3.90-3.75 dis	4.15-3.96 dis

MPs question targets for medium-term

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE crucial output and unemployment assumptions of the Government's new medium-term strategy, underpinning its hopes of further tax cuts, have been challenged by the Commons all-party Treasury and Civil Service Committee.

The committee, chaired by Mr. Edward du Cann and including several former Tory and Labour Ministers, is unanimous in expressing "reservations and anxieties" about several key features of the strategy.

In particular, the committee has major doubts about whether the planned public spending cuts can be achieved and it is sceptical about whether output will recover by as much as is officially implied after 1981.

Consequently, the MPs are worried about the prospects for manufacturing, and about the likelihood of a continuing financial squeeze on industry.

The report is likely to prove embarrassing to the Government ahead of next week's Commons debates on the public spending White Paper and on the Finance Bill.

At a Press conference yesterday, Mr. du Cann and his colleagues stressed that the report was nto about the merits of the Government's policy as such bu was concerned with whether the foundations and assumptions were sound.

This distinction between policy and assumptions cannot disguise the highly critical tenor of hte report.

There was no official Treasury response yesterday but there is apaprently some irritation at the highest levels both about he methods of the inquiry and the report itself. It is argued that the committee concenrated too much on seeking detailed figures which are highly uncertain and open to misinterpretation, and took little account of the broad balance of the policy.

The committee criticises the tendency of Governments to be obsessive about secrecy and argues that the refusal to disclose information on several key points hampered its inquiry. The MPs intend to press the point with Sir Geoffrey Howe, the Chancellor, so that Parliament can be better informed.

The report sees two contrasting influences on the prospects for tax cuts in 1982-83. On the one hand, the committee suggests that output may be weaker, unemployment may be higher—possibly above 2.2m in 1983 — the improvement in nationalised industry finances smaller and public sector pay higher than officially expected. This would, reduce or eliminate the scope for tax cuts.

Details Page 3

£1bn tap next week

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT will next week offer for sale a further £1bn of gilt-edged stock in an attempt to maintain the recent momentum of its funding programme after the very large recent sales.

The stock—13¼ per cent Exchequer 1992—is being offered by tender in a partly-paid form with payments stretching into mid-July.

The maturity date, in the middle of the range, slightly surprised the market but long-dated stocks closed £¾ up on the day to show gains of up to nearly £4 this week.

This strength reflects hopes that Minimum Lending Rate will soon start to decline, but a cut is unlikely before at least June.

The downward trend of interest rates was, however, underlined yesterday by a further slight fall in the rate at the Treasury bill tender, for the fifth week in a row. The rate of interest on certificates of tax deposit held in payment of tax is to be cut from 16½ to 16 per cent from Tuesday

The 1992 stock will have a flat yield of 14.06 per cent at the minimum tender price of £96.00 per cent with a gross redemption yield of 14.2 per cent.

Although the maturity date is unusual an attraction is that only £20 per cent has to be subscribed on tender next Thursday with £30 per cent on June 13 and the balance on July 11.

The fate of the issue is likely to be determined by the market's reaction to the mid-April banking figures due to be announced on Wednesday afternoon.

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UK reserves and Lex, Back Page

OVERSEAS NEWS

Iraq shows sympathy for seizure of embassy

By Patrick Cockburn

IRAQ, accused by Iran of being behind the takeover of its embassy in London, has indicated at least some official sympathy for the attack.

The state-run Iraqi News Agency has carried a statement by the three underground Arab groups who have claimed responsibility for the seizure of the embassy, saying that they will launch many more attacks against what they describe as "Persian racilaists."

The Arab separatists in the Iranian oil province of Khuzestan, who have demanded autonomy for what they call Arabistan, have long been backed by Iraq.

Between 1972 and 1975 they had an office in Baghdad which was closed after agreement between the Shah and Mr. Saddam Hussein, the Iraqi President, at the Algiers summit.

They are believed to have moved then to Tripoli in Libya. When the Shah fell and relations between Baghdad and Tehran deteriorated sharply, the Iraqi government resumed support for the separatists.

Cuba cancels troops alert

By Hugh O'Shaughnessy

A POTENTIALLY bellicose confrontation between Cuba and the U.S. next Thursday has been avoided. The U.S. had been planning to land two batallions of marines at Guantanamo Bay in Eastern Cuba, a base in U.S. hands since long before the Castro revolution. The landing was part of a big exercise, Solid Shield 80.

On Thursday, the U.S. Atlantic Command announced the landing had been cancelled and ships diverted to the Straits of Florida to rescue refugees crossing in the armada of small boats from Mariel in Cuba.

The Cuban Government, which had announced a military alert in the island, yesterday cancelled its order.

More banks adopt lower prime rate

BY DAVID LASCELLES IN NEW YORK

A PRIME RATE of 18½ per cent became virtually nationwide yesterday as Citibank of New York and a number of other large banks moved to this level, set by Morgan Gauranty on Monday.

One or two small regional banks have moved lower, to 18¼ per cent. However, the big "money centre" banks have proved reluctant to cut their prime rates too quickly, despite the sharp fall in U.S. interest rates in the last four weeks.

Bankers say they are concerned both about deteriorating profit margins and the attempts of the Federal Reserve Board to curb the growth of credit.

However, there is also a growing feeling among economists that U.S. rates may have come down too far, too fast, and that there could be a small rebound before long.

This likelihood would grow if businesses are forced to borrow more to finance inventories

The drop in rates has already prompted a huge borrowing surge in the bond markets by the corporate sector. Many companies are dusting off financing plans which they shelved several months back because of record interest rates.

In the next few days, corporate borrowing is expected to top $1bn.

However, the Fed acted yesterday to coasolidate the recent drop in snort term rates.

It stepped into the key Fed ate ising baeve 14½ pe cent s funds market to prevent the rate rising above 14½ per cent in what market analysts took as a rlear signal that it wants interest rates to stay low. Previously, the Fed had intervened only to slow the decline.

After yesterday's action, the Fed's trading range for funds seemed to be 13-14½ per cent, a big reduction on the earlier 13 to 20 per cent range.

Mr. Binaisa

U.S. defence spending increase rejected

BY DAVID BUCHAN IN WASHINGTON

IN THE first major vote on defence spending so far this year, the U.S. House of Representatives decisively rejected an attempt to increase the 1980-81 military budget further by diverting $5bn from domestic programmes.

Instead, the House decided, by 246 votes to 164, to keep a $147.9bn limit on defence spending in the coming fiscal year.

This is a clear indication that at least one branch of the Congress is not about to be stampeded into vastly higher military expenditure by the Soviet invasion of Afghanistan, or by drawing quick conclusions about the implications for U.S. military preparedness of last week's failed raid in Iran.

It is also a relief to the Carter Administration, which has promised its NATO allies a 3 per cent real rise in U.S. defence spending next year, but also has lobbied Congress not to give it more defence Money than it can fruitfully spend.

The slightly more "hawkish" Senate is likely to give the Pentagon more, if it follows its Budget committee recommendation of a $155.7bn budget in 1980-81. The hand of the defence spending advocates will be strengthened by the replacement of Senator Edmund Muskie as chairman of the Senate Budget Committee, by Senator Ernest Hollings, a miluitary-minded Southerner.

Senator Muskie has yet to be confirmed as the new Secretary of State, but his presence this week-end at Camp David with the President and other advisers to map out foreign policy virtually marked the end of his Senatorial role.

In the end, a likely compromise between the two Houses of Congress for the defence budget might be about $150bn.

Ugandans hunt illegal arms

By John Worrall in Nairobi

POLICE AND Uganda Army units stopped all work in Kampala yesterday morning when they continued their overnight search for illegal weapons. The raids began on Wednesday night after heavy gunfire broke out in Kampala. At a May Day rally, President Godfrey Binaisa had promised Ugandans that security would be improved.

The army set up road blocks in the poor areas of the city which gunmen and thieves are known to use as hideouts. A Kampala report that a Uganda army officer was killed during the operation could not be confirmed.

Uganda Radio today called on the population to stay calm during the operation, the first of its kind by the Uganda Army and police since the Tanzanian troops, which had been in Uganda since the overthrow of Idi Amin, left

Namibia guerrillas fear moves against UN

BY PETER BRUCE

A SENIOR member of the South West African People's Organisation (SWAPO) leadership yesterday accused the five Western nations leading talks with South Africa over Namibian independence of trying to squeeze the United Nations out of the negotiations.

Mr. Moses Garoeb, SWAPO's administrative secretary, told a London Press conference there were "moves afoot" to get the UN out of any eventual political settlement over the disputed territory. The UN, operating under Security Council resolution 435 which calls for UN-supervised elections in Namibia, recognises SWAPO as the authentic Namibian leadership.

The five Western nations leading talks with Pretoria—Britain, the U.S., Canada, France and West Germany—have been pressing the South African Government for a firm reply to UN proposals for a demilitarised zone (DMZ) between Namibia and Angola, which harbours SWAPO guerrillas.

The UN and Western talks with South Africa over elections and the DMZ began more than two years ago.

Recent UN negotiations in South Africa became bogged down because South Africa feared SWAPO might win an election in the territory following Mr. Robert Mugabe's win in Zimbabwe.

On Thursday, Mr. P. W. Botha, the South African Prime Minister, told Parliament in Cape Town that he was going ahead with plans to grant legislative powers to a new body to be established under the aegis of the ethnic-based Namibia National Assembly.

Mr. Garoeb said yesterday that it seemed clear South Africa was going ahead with an in independence plans of its own, similar to that offered to Bishop Muzorewa in Rhodesia before the Lancaster House settlement.

Mr. Mr. Garoeb said that with the new South African moves, a Namibian settlement was "further away than ever," and that the five Western powers—especially Britain—were deliberately "obstructing" the UN and trying to pacify Pretoria.

He said Dr. Gerrit Viljoen, the South African administrator in Namibia, had mentioned a "second option" to the UN plans on a visit to London last month, which he took to mean direct negotiations between Pretoria on one hand and SWAPO and the "frontline states" on the other. SWAPO would refuse outright any involvement in a settlement plan in Namibia which excluded the UN, he said.

A British Foreign Office spokesman said yesterday that Mr. Garoeb's remarks about the Western role were "unjustified" and that the UK, along with its partners in the exercise, were "committed to the success of the UN plan." He said South Africa was expected to reply to the UN5s DMZ plans next week.

● The South African authorities, grappling with a schools boycott by some 100,000 coloured (mixed race) pupils, has banned the hit rock recording "Another Brick in the Wall." The U.S.-produced song, a protest against education, has been sung around the country by the striking schoolchildren.

Zimbabwe team to discuss debt

By Tony Hawkins in Salisbury

A DELEGATION of Zimbabwe government officials, led by Mr. David Young, the Secretary of the Treasury, will arrive in London next Thursday to discuss Zimbabwe's sterling debt. This is calculated at £150m, and refers to London market borrowings and official loans floated by Salisbury before the unilateral declaration of independence in 1965.

Although economic sanctions were lifted last December, the Salisbury Government is still not servicing its London debt, and the talks next week, expected to last seven or eight days, are designed to lead to a resumption of interest payments.

Israel squeeze on West Bank Palestinians

BY DAVID LENNON IN TEL AVIV

ISRAEL, at present negotiating the future of the occupied West Bank with Egypt and the U.S., has decided to clamp down on the Palestinian residents, after a week of growing violence.

Mr. Ezer Weizman, Defence Minister, held urgent talks with senior officers in charge of the West Bank on Thursday, after an incident in which a Palestinian youth who attacked an army officer was shot dead.

It was decided to apply a "strong arm" policy, which might also include deportations of trouble-makers, because of the changing nature of the resistance to the occupation.

Military officials are deeply concerned at the growing willingness of the West Bank Palestinians to openly attack Israeli soldiers.

Gen. Binyamin Ben-Eliezer, Military Governor of the West Bank, said the intensified unrest does not yet constitute a civil revolt. "What I do perceive is a different atmosphere, a different frame of mind, a greater readiness to provoke and confront," he said.

Israel Radio reported yesterday that the Government was considering expropriating 30,000 acres of West Bank land for Jewish settlement. This would obviate the need to change the law to ensure an adequate supply of land for extra settlement or the expansion of settlements already established.

The radio report indicated that Jewish settlers on a hunger strike outside the Prime Minister's office in Jerusalem—to demand guarantees for the future of the settlements—had been promised privately that the expropriation would be made soon.

The Israeli cabinet is likely to discuss the deteriorating security situation in the occupied territories during tomorrow's meeting, which is also expected to consider ways of legalising the status of the Jewish settlements in the West Bank and Gaza.

The Cabinet may also debate the issues raised in the autonomy negotiations being held near Tel Aviv with Egypt and the U.S.

These talks adjourned for the weekend after a slow and divisive start to what are supposed to be accelerated negotiations to try to reach agreement by the May 26 target date.

The main stumbling block appears to be Israel's refusal to discuss its West Bank security needs, despite Egyptian and American pressure to set up a committee to negotiate shared security responsibilities.

Stewart Dalby adds from Dublin: The group of Ministers representing the UNIFIL troop-contributing countries, which met in Dublin yesterday, plans to send three representatives to Washington, the Lebanon and Israel.

These representatives will urge that Israel desists from its tacit support for Christian militia in South Lebanon.

Swiss refuse to join trade boycott of Iran

BY JOHN WICKS IN ZURICH

SWITZERLAND will not join the economic and trade boycott of Iran but the Government has decided that the country will not profit from the boycott by expanding its commercial relations with Iran.

On May 17, when the EEC countries begin their boycott, the Swiss Federal Council plans to recommend that business relations with Iran should not go above current levels and if this is not followed it intends to introduce export licensing.

Similar action was taken by the Swiss when the United Nations introduced a boycott against Rhodesia several years ago.

It is not clear on what basis the current level of trade will be calculated. In 1979 Swiss exports to Iran dropped sharply to SwFr 365m (£95.5m) and imports from Iran to SwFr 79.3m (£20.6m), a fall of 46 per cent in both cases.

In the first quarter of 1980, however, exports and imports showed a marked increase compared with the same period last year.

● Liechtenstein has cancelled a planned series of stamps for the Moscow Olympic Games, due to be issued on June 9, following calls from politicians of both parties in the country's Parliament.

RUSSIA'S EMBARRASSMENT IN KABUL

Anti-Moscow hatred grows

BY DAVID HOUSEGO

THERE HAS never been much doubt that the Russians were prepared to use maximum force to crush resistance in Afghanistan.

But their decision to call out Soviet troops this week to fire on student demonstrators in Kabul, after Afghan troops had refused, has further enflamed hatred of the Soviet occupation in the captial, and has shown humiliatingly how little the Russians can count on their Afghan "allies."

About 60 people were killed and a further 100 injured during five days of violence that coincided with the second aniversary of the revolution that brought the Marxist régime to power.

The major clashes were around schools and colleges where students taunted the Russians with slogans such as "Death to Brezhnev," and threw stones at Soviet vehicles.

What in a Moslem country will be most bitterly held against the Russians is that their troops fired on girl demonstrators. The students appear to have been able to circumvent the Soviet security tactic of stationing tanks or armoured personnel carriers at key junctions to prevent crowds sweeping through the streets.

The mood in the Afghan capital was said to be "ugly" yesterday, though the demonstrations had petered out. It was the worst bout of violence since February, when shops closed throughout the city in protest at the Russian occupation.

In demonstrating their readiness to use maximum force, the Russians hope to show that resistance to their rule is fruitless. Certainly, their are signs of increasing despondency among the refugees and insurgents who have crossed into Pakistan.

Reports by Soviet correspondents in Afghanistan, as well as the claims of the insurgents themselves, indicate that fighting is widespread and probably increasing.

There have been surprisingly sharp engagements near Herat in Western Afghanistan, close to the Iranian border, which have been reported by Tass. Reports from New Delhi say the Governor of Herat has been arrested and the city put under direct Soviet control.

In the north and west, clashes have continued in Kunduz Province on the Soviet border, as well as Badakshan and Kunar provinces.

A Soviet-led force which carried out a major offensive in Kunar has recently pulled out. The Russians' problem is that though they may have temporarily quelled resistance there, the insurgents are already filtering back.

Soviet military tactics continue to rely on firepower and heavy battlefield equipment to strike at insurgent forces and intimidate them. There is little sign of the use of infantry patrols that Western observers believe necessary for a successful counter-insurgency operation.

The Russians priority remains the defence of the towns and their lines of communication, and sealing hte borders with Iran and Pakistan. They have suffered about 8,000 casualties since the invasion in late December, out of an occupying force that has now risen to between 80,000-100,000.

The violence in Kabul could not have come at a more embarrassing moment for the Russians because they have been heavily lobbying for support among the more radical Moslem states in advance of the Islamic conference in Islamabad on May 17. Both the Russians and the West see the meeting as a crucial test of which way opinion in the Moslem world and among the non-aligned nations will swing.

The Islamic Foreign Minister's conference in January condemned the Russian invasion and called for withdrawal of Russians troops. But the Russians are hoping to modify this stance by focussing attention on the U.S. action in Iran, and Arab anger at the continuing deadlock in the Palestine autonomy talks.

It as encouraging for the Russians that Pakistan has officially rejected U.S. aid — reflecting the widespread distrust there of the value of U.S. support in a crisis.

The Pakistani leadership seems to be moving towards an understanding with the Russians on the basis of acquiescingin the Soviet domination of Afghanistan and restricting military aid to the insurgents in return for Russia holding off from encouraging subversion in Pakistan.

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Dutch win CAA radar contract

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE CIVIL Aviation Authority has awarded its contract for £9.7m of new primary radars to the Dutch Signaal group, but half of the deal's value will represent equipment bought in the UK.

Other new radar deals announced by the authority yesterday include a £1.1m contract for secondary radar for Cossor; a £2.5m contract to West Germany's AEG Telefunken for primary radar aerials, and a £1.2m contract for remote control and monitoring equipment for Marconi.

Another £10m is to be spent in the UK on buildings, equipment and associated services for the new radars, which will be located at five sites—Heathrow Airport, Pease Pottage in Sussex, Debden in Essex, a site yet to be selected in Lincolnshire, and at Garrowby, Yorkshire.

Thus, out of the total spending £24.5m, about half, or £12.2m, is allocated to foreign companies. Of this, in turn, about half is expected to be spent in the UK on equipment items.

Signaal won the primary radar contract in a competition with Westinghouse of the U.S. and a UK GEC/Plessey combine.

The Civil Aviation Authority said yesterday that it had chosen Signaal because its primary radar was already in production and in service in Singapore, and with the Royal Navy and the Dutch Navy.

It would also be available earlier than the competitors' products. The authority needed the radars to be operational by 1983, by which time existing primary radars would be obsolete.

In recent years, the authority, which runs the National Air Traffic Control Services (NATS) in the UK, has been modernising its equipment. Without new radars by the mid 1980s, to match the modernisation programme, there was a danger of air traffic delays, because of the inability of existing radars to cope with demand.

In the competition, Signaal had won on technical merit, as well as on delivery capability.

The primary radars will be powerful. Heathrow's range will be 80 miles, Garrowby's 210 miles, and the others 160 miles.

They will provide data on aircraft movements, military and civil, in London and South-East England and North-East England. It will also provide data for the Air Traffic Control Centre at West Drayton, near Heathrow, which in turn feeds information to other centres in the UK and overseas.

The secondary radars to be produced by Cossor provide information that identifies aircraft, by picking up signals from the aircraft, as well as tracking them.

Peter Riddell on the report from the Treasury and Civil Service Committee

Main assumptions on economic strategy challenged

SEVERAL KSY assumptions of the Government's economic strategy and public spending plans are questioned in a highly critical report from the all-party Treasury and Civil Service Committee of the Commons.

The report, published yesterday, concentrates on the need for more information about the assumptions on which the Government's economic policies are based. It also questions the key output and unemployment aspects of the strategy, the public expenditure and revenues estimates and the outlook for the corporate sector.

The committee, chaired by Mr. Edward du Cann, the Conservative MP for Taunton, expresses reservations and anxieties" on these points.

The report follows a series of public hearings over the last month at which Sir Geoffrey Howe, the Chancellor, Mr. Gordon Richardson, the Governor of the Bank of England, and senior Treasury officials have given evidence.

At a Press conference yesterday, Mr. du Cann and his colleagues stressed that the report was not about policy as such but about the underlying assumptions and foundations on which the economic strategy is based.

This is because the committee will shortly be starting a wide-ranging inquiry into monetary policy, during which it will seek "to explore in some depth current theories about such crucial relationships as those between the Public Sector Borrowing Requirement, money supply, inflation and economic growth and to test such theories against the available evidence."

The report notes several occasions in the hearing when officials said they were unable to answer questions on grounds of confidentiality. The committee says that it should be "made aware of the basic information upon which the judgement of Ministers are made," and that it "must be put in a position to discover any gaps in the official calculations."

The report endorses Mr. du Cann's comment at one session that Government tend to be obsessive about secrecy. "The committee therefore intends to discuss further with the Chancellor ways of ensuring that our work is not hampered on future occasions."

But yesterdaya n umber of the MPs stressed the evident desire of witnesses to be more open, and noted that the Treasury had been more forthcoming with information than ever before.

The report describes as a "retrograde step" the absence of any breakdown of public expenditure by broad economic category beyond 1980-81.

It questions the realism of the assumption in the strategy that after 1980 the economy would grow by 1 per cent a year, and in particular the implication in Treasury evidence that output would rise by 2 per cent or slightly more in 1982 and 1983.

"We were provided with little convincing evidence as to why a turnround of this size should take place and it seems to depend to a significant extent on world trade growing at a much higher rate over the medium-term than the short-term."

The report also highlights the "particularly depressing" prospects for manufacturing industry with the implication that production in 1983 might be more than 6 per cent lower than in 1979. Mr. du Cann said he thought this might be too optimistic.

The report says: it is open to question whether private services will be able to absorb the additional unemployment resulting from decline in manufacturing output and in the public sector."

The committee notes the chancellor's agrement that the implication for unemployment of the economic growth rates assumed in the strategy might be higher than the level assumed in the expenditure White Paper (1.8m in 1981–82 and thereafter). The committee's advisers estimated that registred unemployment could lie between 2.2m and 2.5m by 1983.

Higher unemployment, it is felt, will mean more expenditure and "the scope for tax reductions in futre years will be significantly lower than appears in the medium-term strategy if the public sector borrowing targets are to be met."

> **The committee questions whether improvements in efficiency and performance, particularly in the loss-making industries, can be expected to produce the turnround assumed of them. It believes increases in charges may be larger than previously stated, and may make it more difficult to reduce inflation**

On public spending, the committee says it is plain that much of the assumed reduction over the medium-term is expected to be derived from an improvement in the position of the nationalised industries' finances an dfrom a reduction in housing expenditure.

"We question whether improvements in efficiency and performance, particularly in the loss-making industries, can be expected to produce the turnround assumed of them." The committee believes increases in charges may be larger than previously stated, and may make it more difficult to reduce inflation.

In the absence of further details the committee regards the targets for the nationalised industries as questionable and proposes to inquire further into the matter.

On pay, the report highlights the disclosure that the central Government pay bill in 1980-81 is likely to be a quarter higher than in 1979-80. The Chancellor assured the committee that "the cash limits for 1981-82 will not encompass a substantial element of staged settlements and will therefore in percentage terms more nearly reflect the actual percentage increase in next year's ordinary pay settlements."

The committee is not convinced that cash limits are fully effective in controlling public sector pay and it is pursuing the matter with the Chancellor.

On the movement of public sector pay relative to that in the private sector the report suggests that the strategy's assumptions about this relative price effect (on which pay is a major influence) may be too optimistic. If, instead, relative price movements return to the trend of 1960-78, this would add £2½bn, at 1978-79 prices, to the cost of expenditure plans by 1983-84, and thereby reduce significantly the fiscal adjustment assumed for that year.

Too much emphasis, it is felt, has again been given in the expenditure White Paper to cutting investment spending rather than current spending, at least in 1980-81.

On the revenue prospects, the committee says that because of its reservations about the profile of output growth it has doubts about the expected rise in non-oil revenue. This would limit the scope for tax cuts in later years.

The committee suggests that the official assumptions about North Sea revenue err on the side of caution. At the Press conference, Mr. Ken Woolmer, a Labour MP, said the underestimate by the mid-1980s could be between £4bn and £9bn at present day prices, depending on the assumptions used.

There is particular concern about the financial position of industry. The Chancellor did not supply forecasts on this, although he indicated that the deficit was "likely to be substantial." The committee's advisers suggested that the short-term outlook for this deficit in the non-oil sector will be a minimum of £6bn this calendar year.

"The advice that the committee has received suggests that the cash squeeze on industry will not be a short-term phenomenon given the medium-term financial strategy. Indeed, it may well be that the corporate sector has to bear a large proportion of the overall burden of adjustment in order to meet the targets proposed in the financial strategy."

"In general, we are convinced that the Government should not only take a very active interest in what is happening to the corporate sector, but should have measures ready to relieve what could become a very damaging deficit."

The Budget and the Government's Expenditure Plans 1980-81 to 1983-84. Second Report from the Treasury and Civil Service Committee.

EEC move on worker democracy

By Lisa Wood

AN EEC directive on company structure could herald the return of Bullock-type industrial democracy proposals, Mr. Walter Goldsmith, director general of the Institute of Directors, warned yesterday.

Mr. Goldsmith said at a seminar of the Shipbuilding Industry Training Board, in Liverpool: "Bullock's worker-democracy proposals are not dead. They are alive and kicking in the European corridors of power." The Bullock report, published in 1977, advocated the legal introduction of trade union worker directors on company boards.

He said the EEC's Draft Fifth Directive on company law was concerned originally with board structure. Now board structure and worker participation were becoming inextricably linked.

"The EEC Commission seems set on compulsory two-tier boards with one-third worker directors for all larger companies," he said.

N. R. Goldsmith said: "The European Parliament's Legal Affairs Committee is having some minor success in attempting to broaden the range of options member states might adopt, but even their option closest to current UK practice would allow single-tier, shareholder-elected boards to continue only if a form of workers' council with strengthened powers were set up."

The Institute of Directors intended to fight this "wrong-headed legislation all the way," said Mr. Goldsmith.

● The Institute of Directors' central theme for the 1980s will be its "further development" as a professional body. From next year it plans a system of membership criteria. Also the institute's company's affais committee will review the conduct and their boards and hopes to of limited liability companies publish a members' code of practice.

GLC seeks enterprise zones

By Robin Pauley

THE Greater London Council is urging the Government to set up two enterprise zones in London and is considering pressing for a third.

The GLC wants an enterprise zone in Wandsworth from Wandsworth Bridge to the new Covent Garden market at Nine Elms.

It also wants one in docklands—either the Isle of Dogs, in Tower Hamlets, or Beckton, in Newham. The third location suggested by the GLC is part of the Park Royal estate in Ealin g, which is regarded as a decling area with special problems.

If London is to have only one zone, as seems most likely at the moment, the GLC favours Wandsworth. It feels docklands is already going to have preferential treatment when the proposed urban development corporation is set up.

But Mr. Nigel Broackes, chairman-designate of the UDC, is known to believe that an enterprise done should be within the new docklands authority's area rather than competing with it somewhere close by but outside it.

The creation of enterprise zones was announced in the Budget by Sir Geoffrey Howe, the Chancellor. They are intended to bring new life to run-down inner city areas.

Companies within the zones, which will be not more than 500 acres each, will benefit from exemption from Development Land Tax, 100 per cent de-rating on industrial and commercial property, 100 per cent capital allowances for commercial and industrial buildings, simplified planning procedures, and exemption from Industrial Development Certificates and Industrial Training Board requirements.

Fish imports rise by 53% in first quarter

BY RICHARD MOONEY

UK FISH imports soared by more than 50 per cent in the first quarter of this year, the White Fish Authority revealed yesterday.

Latest trade figures show that more than 100,000 tonnes were imported in the January-March period compared with 65,000 tonnes in the same period last year—a rise of 53.8 per cent. The Authority sai dthis focussed attention on the concern being expressed by the British catching industry, which has complained that cheap imports are helping to drive it out of business.

The figures apeared to justify the fishermen's claims, the WFA said. Frozen cod fillets were being imported at exactly the same price as last year in spite of inflation.

Cod accounted for 40 per cent of this year's first quarter imports. The Authority attributed this directly to the decline in British cod landings because of the exclusion of the distant water fleet from Icelandic and Norwegian waters.

Imports are now taking 70 per cent of the UK market in prime fish for human consumption, the WFA said. Last year the proportion was 48 per cent and in 1971 it was only 16 per cent.

There is little sign of the situation improving. Under a deal recently arranged by the EEC with Canada, Britain has been committed to import 6,735 tonnes of cod fillets in return for a catch quota in Canadian waters of only 400 tonnes.

This deal, which has appalled British fishermen, is based on a GATT agreement under which the EEC has agreed to take 10,000 tonnes of Canadian fish. In return Canada has granted the EEC a considerable fishing quota. But while Britain must take the bulk of the imports it will get a small share of the quota. German trawlers will be allowed to catch 3,000 tonnes while the French get 1,000 tonnes.

A meeting of fishing industry leaders was held in Edinburgh yesterday to consider what action should be taken to stop the industry being undermined by imports.

● The Government has told the WFA that it can commit up to £6.15m in grants and loans for fishing vessel projects for 1980/81. This is the first tranche of money for that period, and the Authority hopes the total will be considerably higher than the £9m authorised for 1980/81.

Martin Dickson on the latest boost to North Sea exploration

Go-ahead for £600m Beryl development plan

THE GOVERNMENT has given the go-ahead to a £600m-£700m planto boost production from the North Sea's large Beryl oil field.

The plan by Mobil Producing North Sea, the operator for Beryl, is to install a new platform to tap estimated recoverable reserves of 300m barrels of oil in the northern part of the field 95 miles south-east of the Shetland Islands. Production is expected to average about 85,000 barrels a day.

Production from Beryl's first, or A platform, began in 1976 and is averaging 115,000 barrels a day.

The B platform will be a steel structure—unlike the concrete Condeep A platform—and have drilling, production, water and gas injection and accommodation facilities.

Mobil aims to tow it out in 1983, with production start-up planned for the second half of 1984. The platform will be five miles north-west of the A platform in 390 feet of water. Its oil will be piped to Beryl A, where it will be stored and loaded on tankers.

Subsea

The area around B platform is estimated to hold 750bn cubic feet of gas. This will be re-injected initially into the reservoir to aid oil recovery, but is expected to be recovered for sale in the early 1990s.

The Government is expected to approve this summer an ambitious scheme to construct a North Sea gas gathering pipeline network, which would include Beryl. Mobil and British Gas recently gave the Government a feasibility report on the project, showing it was economically viable.

Mobil intends to use a subsea template to drill up to six wells before installing the B platform jacket, or steel frame. Three existing wells will become subsea production wells connected to the platform.

The B region was identified in 1975 and Mobil submitted development proposals last December.

Its partners in the field are Amerada Exploration, Texas Eastern (UK), and British Gas.

Oil industry welcomes seventh round proposals

THE OIL industry gave a generally enthusiastic welcome yesterday to the scope and conditions of the Government's seventh round of offshore exploration and production licensing.

The Energy Department said on Thursday it intends to allocate about 90 blocks on the UK continental shelf. Some 70 blocks will be from a list of 80 named by the Government.

But for the first time it has invited companies to nominate blocks they would like to explore in an area of the North Sea which contains many of the big proven fields.

Up to 20 of the self-nominated blocks will be allocated. Companies will have to make a £5m down-payment for each block, but this can be offset against tax.

Both BP and Shell welcomed the increase in the number of blocks from the 70 the Government originally envisaged.

BP approved of the self-designation plan, which it believed would encourage companies with the ability to produce results. Shell said the world's geographical spread appeared fair.

These sentiments seemed shared by other oil majors, although some officials felt a surprisingly large number of blocks were in the difficult, deep waters west of the Shetland Islands, where hard-to-produce heavy oil has been discovered.

Some also questioned Government optimism in expecting as many as 70 of its nominated blocks to be taken up.

The smaller British independent companies, which the Government has been keen to encourage in the seventh round, seemed generally pleased. But some said the £5m down payment would favour majors already producing in the the North eSa.

● BP Chemicals is to withdraw from its loss-making button materials business and close this side of its factory at Stroud, Gloucestershire. Some 80 employees will be involved.

Welsh miners drop bar to joint action

BY ROBIN REEVES, WELSH CORRESPONDENT

THE SOUTH WALES Area of the National Union of Mineworkers agreed yesterday to withdraw a motion condemning other unions for failing to support the Wales TUC's fight against steel and coal job losses.

This averted a major disagreement at the Wales TUC annual congress in Llandudno.

The mineworkers' motion had threatened to bring into the open simmering tensions in the relationship between the TUC and its Welsh offshoot in recent months.

It accused affiliated unions of failing to carry out Wales TUC policy decisions by hiding behind their national constitution.

National trade union leaders gave their blessing only reluctantly to hte "Welsh General Strike" on January 28, and thereafter effectively vetoed further Wales TUC efforts to rally more trade unionists by further protests against the planned Welsh steel and coal rundown.

The Welsh miners' leaders feel that disapproval emanating from the TUC at the time was a major factor in the rank-and-file against their strike call in March.

Mr. Emlyn Williams, the South Wales miners' president, said that after long deliberations they had decided to withdraw the motion in order to preserve unity and avoid disarray in the movement.

Earlier Mr. George Wright, Wales TUC general secretary, made an impassioned plea for the motion to be withdrawn. He said that everybody understood the miners' feelings. There was room for criticism, but unity must be maintained.

Mr. Len Murray, TUC general secretary, again defended the May 14 Day of Action. "If we are not consulte dby Government, there is nowhere else to go but on to the street," he said.

"The people have the right to demonstrate their criticisms and seek to deter the Government from its policies.

"I assert there is a better way of governing the country. We are coming out on behalf of the 1½m who have no jobs to go to on that day or any other."

Predictably, the conference voted unanimously for the May 14 action to be given the "strongest possible support."

However, there are signs that it will not receive 100 per cent backing on the day. A delegate from the main steel union, the ISTC, said that after the three-month strike, many steel workers planned to stay at work on May 14.

BR may end rolling stock monopoly

By Lynton McLain

THE British Railways Board has started internal discussions on the future of British Rail Engineering (BREL) which may lead to the substantial involvement of private sector engineering companies as alternative suppliers of rolling stock.

The effect would be to break BREL's monopoly as supplier of rolling stock to BR.

The discussions are based on a study of rolling stock maintenance and manufacture throghout BR. The work was carried out in part by consultants from the London Business School.

The study was aimed at finding the best approach to the problem of new rolling stock construction. This is where the possibility of involving the private railway rolling stock companies came in.

BR gets all its rolling stock from BREL workshops, especially those at Derby, Crewe, York, Ashford, Durham and Doncaster. Problems of low investment over the whole rail network and poor productivity at BREL led t othe production of only 16 new locomotives last year.

● BR yesterday confirmed that its night train service from London to Paris and Brussels, will end on October 31.

Air travel and a failure to attract sufficient passengers have made the service a non-commercial venture, said BR.

● Sealink UK, the BR ferry company, has cut £30 off the price of some touring caravan and self-catering cottage holidays in Ireland, providing that the ful cost is paid this month.

● British Airways, operators of Shetland's "lifeline" service to the mainland, said yesterday that it may be forced to pull out if an independent airline is permitted to operate between Aberdeen and Lerwick. The prediction was made at a hearing in Aberdeen into the application by Lobanair to fly the route.

Kenwood workers put on short time

BY GUY DE JONQUIERES

KENWOOD, maker of household appliances including the Chef kitchen mixer, is to introduce a four-day working week from Monday becaues of depressed demand in the UK and overseas.

About 700 people at its plant in Havant, near Portsmouth, will be affected. The company, part of Thorn-EMI, did not say how long it expected the reduced working week to remain in force.

UK demand for small electrical appliances had been depressed in recent months and factory stocks were high, Kenwood said. Exports had been hit by the strength of sterling and by firece competition on many overseas markets.

More than half its production of larger mixers is exported. Other products include beaters, toasters and blenders, many of which have faced increasingly stiff foreign competition, notably Moulinex of France.

The Association of Manufacturers of Domestic Electrical Appliance' show an 8 per cent drop in the volume of household appliances sold in the UK in February, compared with the same month last year.

Imports account for 29 per cents of the UK market in January and February, up from 27 per cent last year.

Building industry attacks cuts in capital spending

BY ANDREW TAYLOR

THE GOVERNMENT'S short-sighted construction expenditure policies will have severe economic consequences both for the industry and the country, says the National Federation of Building Trades Employers in its annual report.

It criticises the expenditure White Paper for concentrating cuts on capital rather than current spending.

The Government has resorted to the "notorious and familiar expedient" of using cuts in planned capital expenditure as the economic regulator to meet public sector borrowing requirement targets.

The White Paper, published last month, showed that construction spending in 1980-81 is planned to fall by a further 3 cutback in 1979-80.
per cent following the 3 per cent

"The Government's expenditure plans for 1980-81 bring capital investment as aproportion of total public expenditure to an all-time low of 11 per cent, compared with over 23 per cent six years ago. Capital spending on construction has fallen from 14 per cent to 9 per cent of the total," the report says.

The prospect of lower workloads comes at a time of increasing pressure on labour and material costs.

The trend of the last two years—of contractors' output costs by 25 per cent to 35 per and tender prices outstripping cent—is likely to be reversed in 1980-81, says the report.

Total construction output is estimated to have fallen by 2 per cent in real terms during 1979, but the outlook for the building industry was probably more buoyant than since 1973. Much of the fall in construction output was in civil engineering and public housing.

Private housebuilding registered an 11 per cent decline in the number of new starts, but had a successful marketing year. Prices have risen by more than 50 per cent since 1977, against cost increases of about 25 per cent.

Minister to open building

MR. TOM KING, the Minister of State for Local Government, will formally open Avro House, the second phase of Wandsworth Council's small industrial units development in Battersea, South London, on May 7.

The Minister will be shown some of the 25 small companies which have moved into the £744,000 building.

New board shuffle for store chain

By Christine Moir

INTERNATIONAL STORES, the loss-making supermarket subsidiary of BAT Industries, is planning its second boardroom shuffle in two years.

Mr. Pascal Ricketts, who took over as chairman late in 1978 following the sudden departure of Mr. Laurence Hill, is to give up his post in July.

He will, however, remain as chairman and chief executive of BAT Stores Holdings, the company formed last year to hold BAT's interests in International Stores and Argos, the discount store chain.

Mr. Leslie Green, deputy chairman of International, steps up to the position of chairman. Mr. Michael Groves, the chief executive, takes on the extra role of deputy chairman.

International said yesterday that Mr. Ricketts's job over the past 18 months had been to change the direction of the grocery multiple to establish a broader retailing organisation, including the non-food Argos chain.

That task was now completed, and Mr. Ricketts had decided to take a step back from International, which would now have experienced retailers at its head, to concentrate on overall strategy for BAT's non-tobacco interests.

In its last financial year, to the end of September, International Stores made pre-tax losses of £2.21m (£1.05m) after interest charges had increased from £3.5m to £4.26m.

During the past year, International bought the MacMarket chain of supermarkets from Unilever, sold its Kearley and Tonge wholesaling operation to dropped trading stamps from Booker McConnell, and its High Street stores.

This move was made in spite of the fact that International had bought Argos, the discount store chain closely associated with Green Shield stamps, in the summer of 1979.

First heat-power station is opened

BY LORNE BARLING

BRITAIN'S first combined heat and power station, providing steam for industry and electricity for the national grid, was opened at Hereford yesterday by Mr. David Howell, the Secretary for Energy.

He said that a second facility, understood to be the much larger project at Fort Dunlop, Birmingham, was under consideration, and that energy-efficient projects of this kind would be "treated favourably" by his Department.

The Midlands Electricity Board Scheme at Hereford involved a £5m plant powered by two Crossley marine-type diesel engines using relatively inexpensive residual oil brought in by rail.

Apart from feeding 15m Mega Watts of electricity into the grid, it will provide enough steam and hot water for two companies employing 5,000 people, the cider company H. P. Bulmer Holdings and Sun Valley Poultry.

The scheme will give both companies cheaper energy than they have been generating themselves. Bulmer estimates a saving of between £70,000 and £100,000 a year, mainly on production of pectin, an apple extract used as a jelling agent and exported in volume to the U.S.

Mr. Howell said he welcomed this example of co-operation between the private and public sectors, which would save import of 15,500 tonnes of oil a year, saving £1.5m in foreign currency.

Mr. Geoffrey Shepherd, chairman of the Midlands Electricity Board, said provision of power locally avoided 8-10 per cent losses in transmission and distribution. Overall the capital cost of the project per kilowatt of electricity produced, compared well with that of large conventional-powered stations.

Though neither company provided any capital for the plant itself, the board did not rule out participation of this kind in future.

This would begin a new kind of corporate involvement in energy supply, and stimulate greater consciousness of the need for savings, the MEB believed.

More motor parts jobs in Birmingham vanish

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BURMAN and Son, manufacturers of steering gear and oil pumps for the automotive industry, is seeking to reduce its 1,300 workforce in Birmingham by up to 200. It blames the downturn in the UK motor industry.

Wilmot Breeden, which supplies locking mechanisms and bumpers to the car industry, plans 300 redundancies at its two Birmingham factories.

Also in the area, Lucas Electrical hopes to lose up to 2,000 jobs at 13 factories and GKN has announced 80 redundancies at Thomas Haddon and Stokes, a subsidiary making screws.

Mr. Ernie Hunt, a Birmingham district secretary of the Amalgamated Union of Engineering Workers, said last night that alarm was mounting in the city at the "rising tide of redundancy payments."

Urgent action was necessary, he said, to protect the motor components industry against increased imports of foreign cars.

● About 150 workers in the clothing industry in Scotland have been made redundant after factory closures.

Almost 100 production workers, mainly women, are losing jobs in the closure of the Clares Carlton factory in Denny, Central. Another 50 have been declared redundant by Jon Spencer, of Hawick, a knitwear company.

Clares Carlton said it closure was the result of economic conditions in the British clothing industry. A n important contract had been cancelled.

Jon Spencer started production in Hawick four years ago.

No progress on lagging agreement

By Our Labour Staff

TALKS this week to try and forge an agreement on lagging work at the multi-company refinery expansion site at Milford Haven, Wales, have failed to make any progress.

The main contractors operating for Texaco, Gulf and Amoco, reaffirmed that lagging work must be carried out within the terms of the site agreement negotiated by engineering construction unions but which the laggers are not party to.

Representatives of thermal insulation companies are understood to have again emphasised that they will not tender for work unless it is handled within the terms of their own national agreement.

This agreement provides for open ended bonus payments for laggers, members of the General and Municipal Workers' Union, but the construction engineering unions are insisting that laggers' pay must be kept within the framework of the site agreement's £3.50 hourly rate.

The dispute is similar to that which halted work on the Isle of Grain power station with the loss of more than 2,000 jobs and which coul dspread to other large construction sites.

There is still some time, however, before the failure to reach an agreement on lagging work at Milford Haven becomes critical.

Mr. John Baldwin, general secretary of the construction section of the Amalgamated Union of Engineering Workers re-affirmed yesterday that any decision by the main contractors to bring in laggers outside the site agreement would result in other unions tearing up their site agreements.

Journalists angered by IPC terms

By John Lloyd

THE DISPUTE which has halted production of most of the magazines published by the International Publishing Corporation seems certain to last well into next wek. The locked-out journalists are angered by the terms under which IPC is acking them to resume work.

Mr. John Pearson, secretary of the group chapel (office branch), which covers the business press, magazine, and book publishing divisions affected by the dispute, said that his members would picket when chairman of Reed International, IPC's parent company, Sir Alex Jarratt, was speaking to the Institute of Personal Management next Tuesday.

A meting of the 1,500 journalists in the divisions affected wil be held on Thursday, in the Central Hall, Westminster, to discuss future action.

IPC yesterday said it would lift the dismissal notices issued last week if the journalists agred to return to normal working, including overtime, and agred to resume pay negotiations on the basis of the IPC 17 per cent offer rather than the union's 28 per cent claim.

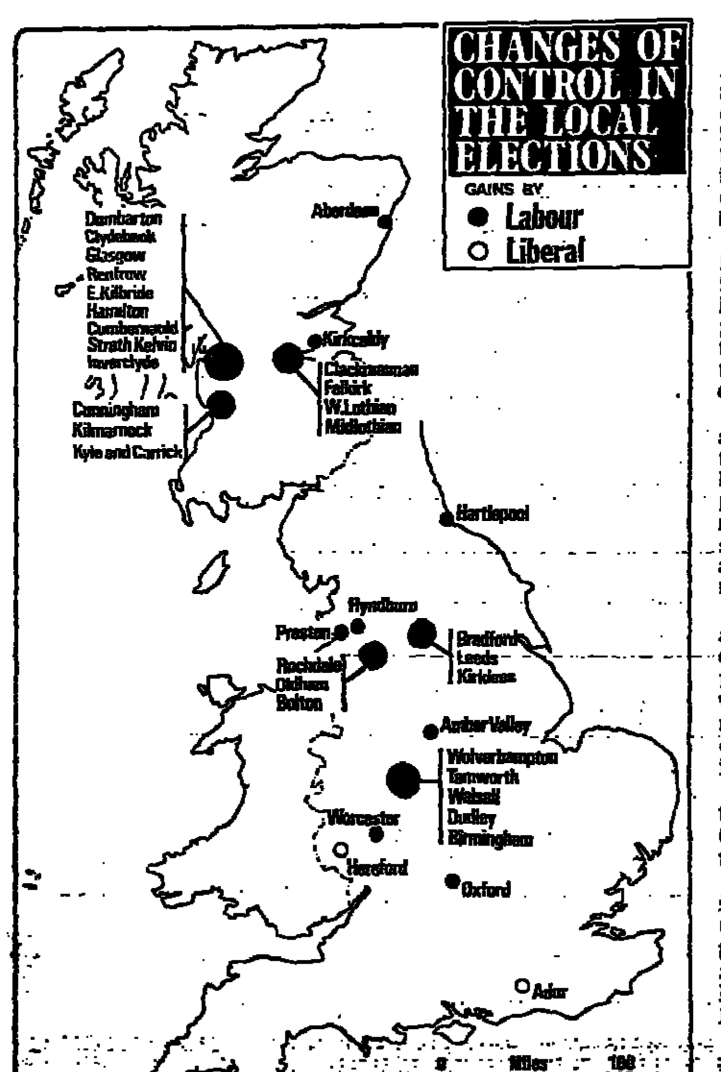
The company has said that it would not pay the journalists for the period in which they have ben dismissed.

● TALBOT STRIKE: Production at Talbot's Linwood, plant in Scotland was halted yesterday when 300 assembly workers struck in support of 22 colleagues involved in a manning dispute. The company has told 1,800 others not to report back after the holiday weekend.

● PAY DEAL: The Government yesterday implemented an 18.5 per cent pay offer for 53,500 professional and technological staff, despite a failure to agree the deal with the Institution of Professional Civil Servants.

Labour to follow local election victory with attack on Government

BY ROBIN PAULEY AND RAY PERMAN



A FIERCE attack on Government policies of public expenditure cuts, particularly in housing and education, is certain, following Labour's sweeping gains in Thursday's local elections in England and Scotland.

The Tories were not expecting to do well as they were defending seats won when the Labour government was unpopular. There is also a traditional anti-government bias in the first year after a general election.

Nevertheless, the results are a blow to Mr. Michael Heseltine, Environment Secretary, because his theories that ratepayers will rebel against high rating Labour authorities and support low rating Tory authorities have been demolished.

With Labour re-established in all the large city conurbations of England and Scotland, its position for attacking policies which particularly affect inner urban areas has been strengthened. The party was drawing up its battle plans yesterday.

The view at Westminster was that tension between the Government and local authorities was sure to rise soon.

Labour's advances were strongest in the industrial and urban North and Midlands and, particularly, in Scotland. They all but eliminated the Scottish National Party as a force in local government.

The party failed to make any gains in the predominantly Tory South, South East and South West of England, and generally failed to gain a big enough swing to produce the landslide it had been dreaming of—but not realistically expecting.

The 5 per cent average swing was enough to give Labour control of an overwhelming number of the metropolitan district councils, regaining leadership of the Association of Metropolitan Authorities, the most important local authority association involved in negotiations with the government.

Failure to gain landslide vote

The present Labour group, currently led by Mr. Jack Smart, of Wakefield, will take over course in July. It has already stated its intention to fight the government tooth and nail on the cuts and on the proposed reforms of local government contained in the Local Government, Plannin gand land Bill now gone through Parliament.

In Scotland, Labour regained dominance of the district councils in the industrial central belt of the country. Reversing the defeats of three years' ago it secured control of 25 of the 33 district authorities, contested on a political basis.

Mrs. Helen Liddell, Scottish Secretary of the Party, said a meeting of all Labour-controlled new authorities would be called later this month to plan a campaign against Government policies.

Housing is the main responsibility of the Scottish Districts and is also the area being squeezed hardest by the Government. Labour councils will be told to resist cuts in the building programme and any big increases in council house rents.

Mrs. Liddell said: "We will not be suggesting to any local authority that it should break the law, but the strength of our success must be a clear indication to the Government—even if it pays only lip service to democracy—that its policies are unacceptable."

Labour will also be taking legal advice to find loopholes in the Tenants' Rights (Scotland) Bill, now before Parliament, which will compel local authorities to sell council houses to sitting tenants.

Labour's biggest victory was in Glasgow, where it took 58 of the 72 seats including all 16 previously held by the Scottish National Party.

It also won control of Aberdeen and Dundee, but failed to wrest Edinburgh from the Tories, who will form the new administration, although they do not have an overall majority.

Taking legal advice

Inverclyde (Greenock) was won back by Labour from the Liberals and Kyleand Carrick from the Conservatives, a success which gratified Labour since the district includes the Ayr constituency of the Scottish Secretary, Mr. George Younger.

The former council had been held up as a model of good Tory housekeeping since it did not increase its rate this year.

The SNP suffered humiliation in the central belt and the cities, losing all its authorities and three quarters of its councillors. The only consolation was Angus, where nationalists gained five seats from the Tories.

The final result in England and Scotland showed Labour having gained 509 seats and lost 33; the Tories gained 43 and lost 436; Liberals gained 102 and lost 27; independents gained 20 and lost 61; the Scottish National Party gained 11 and lost 103; others gained 6 and lost 31.

The Liberals had a mixed day. They gained Hereford and Adur but lost Inverclyde in Scotland, which they were banking on retaining. They won eight more seats in Liverpool, a traditional stronghold, but failed again to take control, leaving the Tories as the minority party with the balance of power.

They say they are well pleased, although the major revival failed to materialise. Yesterday, they were talking in terms of having gained a good base for a strong revival next year, a not uncommon Liberal theme.

Their results were better than the small number of councils they control suggests because they won seats from both Labour and Tories and are in strong minority positions on more councils than before the election.

The big disappointment was Leeds where they lost the balance of power and are down to 8 seats in a council of 99.

Accurate analysis of the results is complicated by a series of factors:

● It is difficult to put national trends of opinion into the result when only 40 per cent of the electorate votes.

● Polling took place in only about half of Birtain's non-metropolitan districts and not at all in London.

● A lot of councils had undergone boundary and ward changes since the last elections.

● In some councils only one third of the seats were up for re-election while in others the whole council was facing the electorate.

In spite of all those limiting factors, however, there can be no disputing that the Labour Party has made dramatic advances and not onl yin the areas where they fared so badly when the last government's unpopularity was at a very high level. Worcester, for example, was won for the first time.

Mixed day for Liberals

Although the general swing of about 5 per cent could have been worse for the Tories as a party—they suffered a swing of 13 per cent against them in the recent Southend Parliamentary by-election—the results are a bitter personal and political setback for Mr. Michael Heseltine, Environment Secretary.

In those areas where his long campaign against high rating authorities spending "profligately" against the wishes of the ratepayers were tested they were without exception destroyed by the electorate.

Voters in the highest rating districts—Newcastle upon Tyne, Liverpool and Wolverhampton—rejected the Tory pleas and voted Labour in spite of the greatly increased rate bills arriving during the election campaign.

Setback for Heseltine

The disappointment for Mr. Heseltine was most acute in Preston where the ruling Tories had followed his cajoling over spending and had reduced the rate this year.

Nevertheless, they lost five seats to Labour who took control, a result which brought anguished groans of dismay to the Tories gathered with Lord Thorneycroft, party chairman, at Central Office

The situation is made even worse for the Tories by the results of an opinion poll conducted by Gallup for the BBC2 Newsnight programme which showed that local rates was regarded as the most important issue in the local polls.

The fact that the results in high rating authorities favoured Labour indicates that Mr. Heseltine's solution to the rates problem—massive spending cuts and tighter central control of local government spending—is not regarded as the right one.

The poll bears this out by the fact that the total percentage of people who thought that either, public spending cuts, unemployment housing or education, was the most important issue

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THE WEEK IN THE MARKETS

Down the interest rate slope

LONDON

ONLOOKER

The stock market has been in an optimistic frame of mind over the last week, sustained by the hope of lower interest rates. In the U.S., at least, a recession does seem to be developing in earnest: money market rates fell steeply in April, with the three month Eurodollar rate down from over 20 per cent to below 14 per cent, and sterling deposit rates have eased gently too, despite continuing tight conditions in the overnight money markets.

The result is that gilt-edged prices have advanced steadily, shrugging off the fears that spread through the market last Friday after the American escapade in the Iranian desert. Further political tremors from the Middle East have only caused momentary setbacks, and gilts wer well braced for yesterday's announcement of a new tap stock.

Equities have managed to make progress in sympathy with gilt-edged, and the indices have crept up day by day. Oil shares, particularly North Sea stocks such as LASMO, have again been strong performers.

Discount blushes

Red faces this week at a couple of the City's discount houses — Gerrard and National, the second largest of the 11 houses, confessed to a £1.1m loss for the year to April 5, and Jessel Toynbee was also in deficit to the tune of just £50,000. They were not flattered by the announcement the same day that Smith St. Aubyn had managed to make a decent profit of over £1m for the same period; while Gerrard was "looking through the interest arte hump" last autumn, Smith was keeping its assets very short. It was successful in avoiding the damage suffered not only by Gerrard but also by a number of other houses last October and November when the first Volcker package in the U.S. was fallowed by the hoisting of Minimum Lending Rate to 17 per cent.

Discount house men are hardened types, however. The attitude at Gerrard this week was that the problems last year would not inhibit it from plunging back into high risk, high return investments like gilt-edged (high risk, that is, if you are geared up at the rate of nearly 30 to one) should conditions justify it. At least Gerrard and Jessel have held on to almost all their capital, unlike the unfortunate Clive Discount which last week indicated that it had lost well over half of its shareholders' funds.

And in fact there are now clear signs that the discount houses have already been moving their portfolios into longer dated assets. Many of them will have had a highly satisfactory April, with money rates coming down significantly from the peaks at the end of March. Certainly Gerrard and Jessel were confident enough to raise their dividends this week.

Low-tar traumas

Because of its size and the constant push to dilute its cigarette interests, BAT Industries is persistently tipped to be preparing a bid for some company or other. Although most of the speculaion is wide of the mark, the rate of change and expansion within the non-tobacco portfolio shows no sign of abating.

Retailing is a case in point. The division made a poor operating return of £42m in 1979 on sales of £1.7bn. The group can at least claim to have dragged the disappointing International Stores back into profit, albeit at a mere £1.17m, from a loss of £5.7m. Yet another Boardroom shuffle was announced here yesterday. During 1979, the group sold Price-rite and Kearley and Tonge and purchased the 65-store MacMarkets chain from Unilever last July and the Argos catalogue trading shops last May. Much of the divisional improvement from the previous profit of £26m, however, can be attributed to a better performance in the Saks, Gimbels and Kohl retail operations in the U.S.

On the other hand, the group's tobacco operations in the U.S. have been a problem. Brown and Williamson entered the low-tar market after most of the American competition and expensive launches largely account for a £9m tobacco shortfall in the tobacco division's operating profits to £328m. At home, BAT holds only 4 per cent of the market, against Imps' 54 per cent, but the battle to establish even a small foothold here has so far been costly.

Sterling export profits have been badly hit by adverse exchange rates.

All the same, the group pleasantly surprised the market during the week with a pre-tax gian of £8m to £443m. BAT has changed its financial year end to a calendar basis and the group reported profits of £560m pre-tax for the 15 month period.

The paper division made up a good part of the improvement with a £19m rise in operating profits to £81m, boosted by full first time contribution from Appleton in hte U.S. Packaging profits climber £3m to £30m for which the purchase of the outstanding 50 per cent in Mardon last autumn was mostly responsible.

The shares yield comfortably over 10 per cent and BAT must still be regarded as a cash-rich aggressive bidder wherever suitable opportunities occur.

Caring investors

Prudential is trying hard to let it be known that it really cares about the companies in which it has invested. This, at least, is the message being relayed by the insurance group through its present series of newspaper ads and, rather more soberly, in its latest accounts.

The Pru owns more than £2bn worth of British equities—the total investment portfolio is £7½bn—including slices of more than 10 per cent of 57 different companies. It has been pumping most of its incoming cash from the UK into gilts, however, where it is still relatively under-represented compared with other life companies.

Dissenting from th eusual run of gloom-flavoured comment, the Pru does not see disastrous times ahead for the UK corporate sector, at least not this year. Still, it aims over the next year or two to double its investment in foreign shares to about a tenth of its equity portfolio, following the removal of the exchange control shackles.

"Where a bid is not recommended by a Board of a well-managed company, our inclination is to support a company's desire to maintain its independence," the Pru says comfortingly. It did not, for instance, accept GEC's bid for the Averys weighing machine company until this had clearly succeeded. On the other hand, it was busy in the Decca area some time before the bid contest was joined.

The Pru will clearly not stick with the defending side through thick and thin. But its policy, it says, is to give efficient management the benefit of the doubt; so it will not be influenced by the likelihood of a short-term drop in the shares if an offer comes to grief.

Last year the men from the Pru visited over half the companies in which the group has a stake. Nor does it confine its attention to its large investments — over 40 of thesse top £10m — since it has a special team watching the numerous small companies in which it is a shareholder.

Ground flower yields

The construction companies reporting during the week have, by and large, achieved their forecasts but the shares have been falling back. A singularly impenetrable trading outlook is largely to blame but parsimonious dividend increases, despite fairly hefty cover, have also played a part.

Wimpey's pre-tax profits fell by £9.9m to £47.3m despite the anticipated second half revival and the group finds it impossible to predict the outcome for 1980. Turnover climbed by 18 per cent to £1bn which indicates a substantial rise in working capital; certainly interest charges rose sharply. The yield meanwhile is still only around 5 per cent, reflecting a comfortable seven times cover.

John Mowlem has also acted as if official distribution restraints were still in force. Here the yield is well into double figures but a dividend rise of a tenth sits oddly with cover of some three times. Profits last year dropped by £200,000 despite a positive £900,000 turnround in soil mechanics but the immediate uncertainties are such that the group cannot forecast a swift recovery this year. Newarthill shares, like Mowlem, are probably trading well under asset values but, while profits of over £10m were a little way over forecast, the yield is still only around 4 per cent.

Henry Boot was a welcome exxception to the overall gloom with a profit of £2.2m—almost entirely produced during the second half—against a loss of £3.7m for 1978. Aberdeen Construction, too, performed well in the second half of 1979 to leave anual profits slightly up at £3.45m.

Most of these companies have added property, industrial and international operations to UK civil engineering and building interests and, as a general rule, shareholders have to wait until the various accounts are published to discover how the individul divisions have fared.

Oil surge

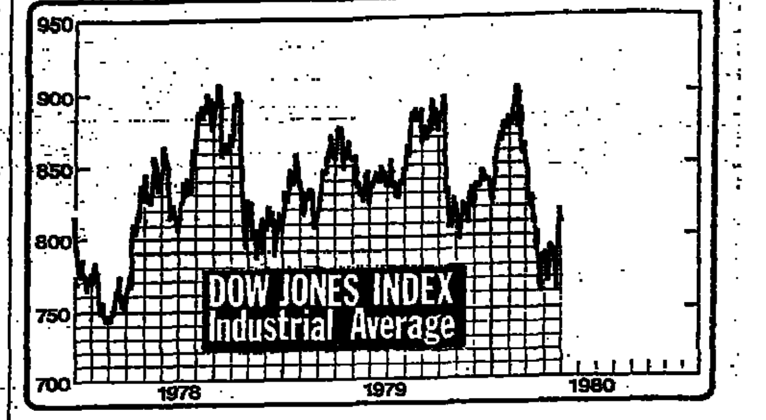
The market in UK independent oil shares is usualy volatile. But this week's across-the-board progress was something special. Several shares reached new highs and Carless Capel, on the strength of an onshore find not far from Basingstoke, rose 43p over seven days to become the best performing share of the week in the category of companies with a market capitalisation of more than £20m.

The onshore find, called "Humbly Grove," also lifted Candecca 58p on the week to a new high and brought two other independents with onshore interests, Clyde and Attock, to highs for the year.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	443.6	+16.1	478.8	406.9	Recovery helped by gilts
F.T. Govt. Secs. Index	6.70	+ 2.09	69.26	63.85	Overseas and domestic demand
F.T. Gold Mines Index	297.3	−29.5	377.9	265.5	Gold price fall
Alpine	86	−18	128	86	Board's profits warning
BAT Inds.	255	+32	271	223	Better-than-expected results
Candecca	150	+58	150	76	In sympathy with Carless Capel
Carless Capel	136	+43	136	75	Humbly Grove drilling report
Clifford's Dairies A	101	+21	110	66	Unigate's conditional offer
Clyde Petroleum	490	+96	490	313	Demand for oil expl. issues
European Ferries	130	+27	131	98	U.S. property deal
Henderson (P.C.) A	153	+56	153	96	Good results/enfranchisement
ICI	376	+22	402	353	Renewed institutional interest
Land Securities	337	+20	337	244	Lower interest rate hopes
Le Vallonet	40	+ 9	42	30	Move into oil and gas expl.
Lontrim	15	−15	44	15	First quarter loss
Polly Peck	34	+ 9	35	6	Hopes of asset injection
Smith St. Aubyn	134	+22	134	95	Good preliminary results
Tarmac	240	+18	241	183	Impressive annual results
Ultramar	674	+74	674	412	Hopes of good quarterly figs.
Wilson Brothers	34½	+12½	35	21	Bid from Fine Art Devs.

Helping hands all round . . .



NEW YORK

IAN HARGREAVES

IT HAS been a week of rescues and attempted rescues. The silver-shod Hunt family was getting more than $1bn from the banks, First Pennsylvania Bank also neededa large, helping hand and Itel and Chrysler continued nervous negotiations about their fates, although as times goes by both look more secure than they did a month ago.

As a backcloth, there were the continuing ripples from the other rescue, the one that failed in Iran. Apart from Mr. Cyrus Vance, however, there has been remarkably little political fall-out from this debacle, in spite of a determined attempt by the American media to discover splits in the ranks of the soldiers involved to match the split between the President and Mr. Vance.

Meanwhile the stock market, whose worst enemy is surprise, took it all as if it were some empty burst of rhetoric. Up to Wednesday evening—by which time all the news of rescues was in—Wall Street had piled up seven sessions of advance, moving the Dow Jones Industrial Average by over 50 points.

How could one account for the market's relaxed tone in the face of what by some accounts are the roots of conflagration in the Middle East and dire economic woes. None of the events, with the exception of the desert mission to save the hostages, was exactly a surprise. The details and scope of each case have provided some novelty, but have not so far raised unforeseen spectres.

More important still, the market feels that its reading of the U.S. economy has been borne out by the figures this week. In spite of a sharp fall in the index of leading economic indicators, much lower than targeted growth in money supply and, as reported yesterday, the sharpest rise in the unemployment rate since 1974-1975, the market has been istening to company chairmen up and down the land delivering their annual meeting addresses and broadly confirming the assumption that the recession is here, but that it will be fairly mild.

Steel profits fell much less sharplyt han many analysts had feared in the first quarter and so far, in spite of a rapid drop in the rate of orders in the last six weeks, no major steel company has lowered its forecasts for industry activity this year.

Detroit, it is true, has cut its production plans for the current quarter to its lowest level for 20 years, but that is a special situation concerning Detroit's errors.

Eastman Kodak's earnings werea little higher than expected and gave the Dow index a midweek boost, although the trading range of that one-time glamour stock at around $52 is still a generation gap away from the 151 mark it touched in 1973.

All in all, corporate profits look like coming in around 17 per cent higher than the first quarter of last year. But here the caveats start bouncing in.

Without the virtual doubling of oil industry profits, the figure would actualy be a small drop —perhaps one to two per cent. Then take account of inventory profits and other inflation fuelled gains and we are talking about, perhaps, a six per cent drop in a quarter where, except in motors and housing, the cyclical downturn had not started to happen.

The other side of the coin in individual company earnings benchmarks is the feeble 2 per cent rise at IBM and less than that at Du Pont. In the case of IBM, the cyclical factors are not likely to show up until the fourth quarter of this year, because of the lead times involved in its order book.

In short, the market has readied itself for a short, mild recession. It is being encouraged in this view by the politicians ("we have turned the corner," President Carter said this week) and more important, as markets are not in the habit of believing politicians, by the credit markets, where interest rates (with the exception of the prime) have scooted downwards much more rapidly than even the most optimistic analysts were forecasting when the President's credit tightening package was announced in mid March.

A sense of hollowness in the market's brightness has been increased by the rather thin trading of recent days — "paralysis" was the word used by one analyst to describe the investment decision making equipment of the financial institutions — and by the knowledge that the bond markets have yet to come through the test of a genuinely live market as corporations come out of hiding and again try to raise money by issuing long term paper. Then, lurking at the edges, is a fear of what tumbling interest rates at a time of continued high inflation might do to the dollar and what that might do to Federal Reserve policy.

For the moment, however, Wall Street seems ready to breath a sigh of relief at the almost completed quarterly earnings season and to deal with the casualties of the recession as they come along.

As for the participants in rescues and other dramas, this is what happened to their stock prices in the period between the close on Thursday of last week and the close on Thursday of this week: Kaiser Steel, apparently in the throes of self-liquidation, fell half a point to 36 per cent; Liggett, likewise testing self liquidation as an option to resist the clutches of Grand Met was up 5 to $44⅝, a start performer; Bache and Merill Lynch, both snared in the Hunt drama, lost only a whisker; Chrsyler accelerated ⅜ of a point to $7 and First Penn lost over a point to $4½. Itel is still suspended.

Predictions of a severe recession are based to a large extent on the collapse of the car and housing markets, as well as the surge in unemployment.

But economists who take a more optimistic view have begun to harp on other statistics which could be taken as a sign of greater than hoped for resilience in the economy.

One is the leanness of inventoreis. These are well below the levels that existed at the start of the last, severe recesson in 1974-1975, and suggest that the tension between demand and supply will not ease off as fast as it might otherwise.

Another is the fact that the construction industry is nothing like as over-extended as it was at the onset of the last recession. Builders and land speculators, who learnt a hard lesson last time, have been more cautious this time.

Monday	805.46	+1.88
Tuesday	811.09	+5.63
Wednesday	817.06	+5.97
Thursday	808.79	−8.27

Chairmen facing the audience

MINING

KENNETH MARSTON

FORECASTING the likely course of events is an occupation that fascinates us all and is vital as far as investment is concerned. Carefully reasoned forecasts are always interesting and worthwhile, too, because the forming of an opinion is helped by knowing what the other man thinks and why he does so.

Nevertheless, forecasting becomes a heavy responsibility when other people's money may be involved. And for company chairmen with the image of their organisation behind them, the desire to give shareholders some worthwhile guidance at times of international political and economic uncertainty such as this must cause some very wrinkled brows.

Generally speaking, the mining industry is moving into a leaner period after the short-lived prosperity seen in the first quarter of this year. The supply demand picture for its products points to an eventual sharp rise in their value, but how long this will take and how well the companies will fare in the meantime are questions that are difficult to answer.

However, Mr. Harry Oppen- diamond giant has — — heimer, chairman of the De Beers diamond giant has said this week that: "While the outlook for the diamond industry is not without its problems, it is on the whole satisfactory and this, taken together with our growing diversified holdings in other businesses gives good reason to expect satisfactory results for the present year."

A feature of his statement has been the emphasis placed on the South African group's "massive" investments in companies outside the diamond industry. These doubled in value last year to R2.28bn (£1.27bn) were swelled by the acquisition of a further 5 per cent in Anglo American Corporation (making 38.5 per cent) plus 3 per cent in Minerals and Resources Corporation to raise the latter holding to almost 16 per cent.

Towards the end of the year 5 per cent was acquired in Consolidated Gold Fields and since then that holding has been raised to 12½ per cent, a further 12½ per cent now being owned by Anglo. De Beers' gold income should increase this year in line with this higher holding in Gold Fields together with the still rising tide of gold mining dividends from other sources.

The major source of investment income last year was again provided by the industrial holdings, which contributed R32m, or 39 per cent of the total. That from gold, however, moved up to second place at R20.1m, or 24 per cent of the total. While the group's pre-tax revenue from diamonds fell by R125m to R831m before tax that from the after-tax investment income rose by R78m to R312m.

No doubt with an eye to the near-term uncertainties facing the diamond business Mr. Oppenheimer stressed that De Beers is "very much more than a diamond mining company." The major problem is that while sales of the larger gems of over one carat remain strong, those of the smaleir sizes, which make up the bulk of the business in the now suffering jewellery trade, continue to be weak.

Still, the total sales of rough (uncut) stones for this year look like exceeding the 1979 levels. The diamonds will cost more; average prices were raised by 13 per cent in September of 1979 and a further 12 per cent in February of this year.

In all, De Beers profits for 1980 seem like showing a reasonable increase—although maybe not when the fall in the value of money as a result of inflation is taken into account—and there should be room for a modest increase in the 72½ cents dividend; don't be misled by the size of the next interim, however, because De Beers intends to reduce the gap between the sizes of its interim and final payments.

Another mining industry leader, Mr. Pierre Gousseland, who heads the big U.S. Amax natural resources group, has shown no reticence in looking ahead this week. Confidently, he said: "Amax is continuing the upward trend of 1979, and 1980 may be another record year for the company."

And just to make sure that the message got through he added, "despite inflation and the possible extent of a recession in the United States, the company's outlook is good for the short-term and our long-term prospects are excellent."

Moving on to another international mining and industrial giant, Britain's Rio Tinto-Zinc, there is the prospect that this holiday weekend its chairman, Sir Mark Turner, may be pondering over some notes for his annual statement which is to be delivered to the London annual meeting on May 28.

The multi-metal group's annual report for 1979, issued this week, covered a year in which almost all sectors of the operations contributed increased earnings towards the group's record net profit of £149.8m, or 59.42p per share. The major factors were copper and gold, the latter metal coming from the big Bougainville mine in Panua New Guinea.

Uranium, which provides good earnings for the producers with long-term contracts and which provokes some frowns from those who haven't now that the market for the material has grown cool, also made a major contribution. The previously trouble-torn Rössing mine was particularly important in this respect, but could face the onset of tax liability this year.

Like others, RTZ has made a good start to the year and, overall, should not fare too badly. Its important Australasian interests look encouraging, as does the general air of "get-up-and-go" in the Down-Under mineral scene, especially when the big advantage of readily available and relatively cheap energy supplies is taken into account.

Of the Australian mining majors, MIM Hildings is still riding high. Better prices for metals have boosted the company's earnings for the first nine months of its financial year to A$172.8m (£84.8m) from A$66.2m in the same period of 1978-79. On course for the highest annual profits ever made by an Australian company MIM warns of a less prosperous final three months in line with the lower metail prices.

Australia's Western Mining, perhaps the best major mining investment of all for the 1980s has announced more encouraging drilling values from its huge Olympic Dam copper-uranium prospect at Roxby Downs in South Australia. The deposit, which is a joint venture with British Petroleum, may one day become one of the world's greatest mines.

Moving from the sublime to the . . . well, "fun," aspects of mining, Western Mining is underwriting a one-for-one rights issue of new shares at 25 cents (12.3p) in its 36.5 per cent-owned Hill 50 Gold Mines. The $A15.6m (£7.7m) to be so raised will be used to finance the reopening of the old Morning Star gold mine near Mount Magnet in Western Australia.

The price of the existing shares has risen to 33p and the sharemarket is clearly hoping that the Western Mining "golden touch" will rub off on to Hill 50. Whether the venture will succeed depends, of course, on the price of gold which has not been notably responsive to recent political events.

TIN OUTPUTS COMPARED

	Mar., 1980 tonnes	Feb., 1980 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	192	160	1,775	(12)	1,770
Amal. of Nigeria (columbite)	25	31	229	(12)	299
Aokam	133	136	1,372	(9)	1,137
Ayer Hitam	167	182	1,434	(9)	1,720
Berjuntai	351	331	3,612	(11)	3,784
Bisichi Jantar (tin)	¶	¶	291	(12)	348
Bisichi Jantar (columbite)	¶	¶	354	(12)	329
CRM Sri Timah	94½	73	271	(3)	203½
Ex Lands Nigeria	¶	¶	102	(4)	108
Geevor‡	100	97	1,079	(12)	1,053
Gold and Base (tin)	¶	25	51	(2)	50
Gopeng	161½	152½	989½	(6)	970½
Idris	18½	18½	55½	(3)	65½
Kamunting	14	13	431	(12)	475
Killinghall	27½	¶	190½	(6)	194½
Kinta Kellas	41½	37	449	(12)	460
Kuala Kampar	24	29	278	(12)	236
Lower Perak	21	22	202	(11)	261
Malayan	299	253	2,634	(9)	2,340
Pahang	112	102	940	(8)	970
Pengkalen	13½	12½	90	(6)	41
Petaling	121	99½	610½	(5)	657½
Rahman	85	67	643	(9)	642
St. Piran—Far East	19	23	186	(12)	297
St. Piran—UK (South Crofty)	170	193	1,997	(12)	2,292
St. Piran—Thailand	51	72	953	(12)	1,135
Southern Kinta	128	79	1,569	(12)	1,701
Southern Malayan	189	186	1,609	(9)	1,795
Sungei Besi	166	163	2,009	(12)	2,308
Tanjong	15½	7½	33½	(3)	41
Tongkah Harbour	31	32	328	(9)	485
Tronoh	132	132	400	(3)	497

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.

FINANCE AND THE FAMILY

Tenancies for students

BY OUR LEGAL STAFF

I own a furnished flat which I let to students o a oe-year lease. The flat is not rent controlled and I adjust the rent each year so that the students pay about the same as they would if living on the university campus. I have heard that students may he getting tenants rights which I presume might mean I could not get possession at the end of a year if a student decided to be awkward. Can you please advise the present position?

As the law stands at present tenancies granted to students direct, rather than to the educational institution where they study, are protected under the Rent Act 1977 if they are not granted by the educational institution or specified institutions.

A deceased trustee

With reference to your reply under "A deceased *trustee*" (*February 23*), in which you stated that an executor did not become a trustee of three trusts of the deceased, I, as personal representative of my mother and executor of her full estate, took her place as trustee of four trusts which formed by late father's estate. How do you reconcile this with your reply?

What you state is indeed correct where the office is that of executors, not trustees. Of course under a will the persons appointed executors are normally appointed to be both executors and trustees, and so the rules which make a personal representative of a deceased executor stand in that executor's shoes will operate so long as the estate has not been fully administered; but if, for example, the original executors have assented to themselves as trustees, the executor of the surviving trustee will not become a trustee—but he or she will have the power to appoint a new trustee.

Management of flats

I live in a new block of flats. The 8 leaseholders have agreed that we should take steps to manage the property ourselves and we are wondering how to proceed.

Is it advisable to form a management company in preference to a resident's association? Can the freeholder raise objections? Another *possibility is to purchase* the freeholds. How is the cost of the freehold of each flat calculated and can the freeholder refuse to sell?

It is usually better to form a management company, but much depends on the nature of the leases and of the management which needs to be carried out. *It would not* be wise to take any steps without consulting a solicitor, as matters of this kind can, and often do, raise problems of some *complexity*. In the absence of the leases we cannot tell whether the *freeholder may* be able to raise objections. He can refuse to sell, and, equally, can set an arbitrary price on the reversion if he so wishes.

House accupied by survivor

My wife and I purchased our house outright in equal shares under a contract of "ownership in common." In order to *avoid aggregation under* CTT, we are considering both leaving our half share direct to our children in our respective wills. Can you please confirm that in *this case we will not* be *laying* up any legal problems for the survivor over the continued occupation of the house?

There could be a problem *confronting the survivor* unless the wills make clear the right of the other tenant in common to continue in occupation and to control the power of sale. However, by so doing the value of the survivor's share may be enhanced and the equality of value which at present exists could be destroyed. It would be wise to consult a solicitor.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

● Our reply under "Rich man, poor financee" (April 19) seems to have been misunderstood by several readers, as they have pointed out, a wife's investment *income is added to* her husband's for income tax purposes, but this does not apply to the year of marriage and it was to this year that the question and our reply was directed.

Rateable value and a loft

With reference to your reply under "Rateable value and a loft" (March 29), would you please tell me how to calculate when the rateable value will increase by more than £30? The rates office (or valuation office) locally cannot tell me until the work is done.

This is a matter of valuation which would have to be determined by a competent valuer. The criterion is by how much is the letting value of the property on the open market increased by the works which *are ivolved. That is why it is* difficult to assess the increment until the work is done.

Damage from intense heat

In November a heater, which was part of our oil fired central heating system, over-heated and if I had not been at home, there would have been a serious fire. As it was, the teak surround of the heater almost burned through and the place was filled with black smoke.

***I decided to replace* the heater with a gas fire. I claimed for decorations which the insurance company have met and also for the replacement *gas fire, for* which they will not accept liability. Their argument is that it was a fault on the heater and as it was about 10 years old, it was *obsolete anyway* and, *therefore*, of no value. They contend that there is no liability on their *part as there was no actual* blaze and they say it was not an "insured hazard." What, please, is your view?**

The rule in insurance law is that "fire" *predicates* some kind of ignition, so that damage from intense heat is not covered by a policy for fire unless there is special wording in the policy *to cover* that *event*. As however there seems to have been some ignition, yould would be entitled to recover the value of the old heater, but not the cost *of a new one*, let alone a different one. We doubt if ten years is a sufficient period for the full "life" expectancy of a central heating system, and *suggest* that you *hold out for* some compensation, albeit only as the value of the old plant.

Foreign shares and tax

I shall be grateful if you would answer these questions on tax for UK reisdents on *foreign shareholdings*.

1—What tax is due in the case of scrip dividends when there is no option to receive them in cash form, or ther there *is a cash aletrnative* but dividends are taken is scrip form? 2—What tax is due on the sale of rights? In some countries, such as Germany, *this is not taxed at* source and can be substantial. 3—What tax is due on capital gain distributions such as are made by U.S. mutual funds? *Is treatment the same for* what the mutual funds call "short-term" and "ong-term" gains on their statements (with the U.S. non-resident *alien tax being charged only* on the former)?

1—None (assuming that you do not mean to include distributions of another company's scrip), regardless of whether there is a cash alternative. Since May 19, 1971, a scirp alternative to a cash dividend has been treated, for income tax and capital gains tax *purposes*, in the same way as a scrip dividend with a cash alternative; before that date, the precise form of the choice could make a significant differ*ence to the tax position*.

2—Capital gains tax (assuming that you do not mean to include rights to subscirbe for shares in another company); the *deemed* capital *gain* (or loss) is calculated by apportioning the cost of the existing shareholding in the ratio of (a) the proceeds of the sale of the rights to (b) the *market* value of the existing shares. If the ratio of a ?——?. is small, it is possible to defer the capital gains tax charge, by merely deducting the proceeds of sale (a) from from the cost of the existing shareholding, for CGT purposes on subsequent disposals we have not dealt with sales of partly paid rights, the rules are quite different from those outlined in respect of oil-paid rights.

3—Income tax (under case v of schedule D), with credit for any tax liability in the country of origin.

Domestic crime losses

INSURANCE

JOHN PHILIP

ON TUESDAY the British Insurance Association issued its annual review of the cost of crime to member companies. The BIA's figures do not include claims paid *by* non-member companies, or by Lloyd's underwriters. Nor do they include claims paid by member companies for stolen cars and vehicles.

Last year insurers paid out *£94.5m for burglary and theft* from homes, offices and factories, for the loss of money and for the loss of goods in transit. And for the first time *since* records have been kept, thefts from private homes accounted for more than half the total bill.

Since cost to the companies of domestic crime was £48.8m, bearing in mind the pace of inflation this year, and taking into account *payments that are* made by Lloyd's underwriters, the cost of domestic crime to the British insurance market must surely now be getting on for £1.25 a wek. In making this for £1.25 a week.

Over the last decade the companies' domestic crime *loss payout* has been steadily increasing, not just in inflationary but in real terms. The companies' 1978 domestic crime loss bill was £39.9m—and so the subsequent *12* months' increase was 22 per cent. By comparison, the movement in the *consumer* durables section of retail price index from December 1978 to December 1979 was just over 14.8 per cent.

There is a similar picture when we look at the "all ricks" bill. All risks insurance can be both domestic and commercial, but probably the bulk *of all risks insurance payments* are for the loss of valuables, cameras, watches and so on. In this sector the 1979 over 1978 increase was 19 per cent—more than four percentage points above the movement of the RPI.

All was not so black, however. On the commercial side there was a 4 per cent decrease *in money losses* and *only* a 6 per cent increase in thefts from offices, shops, factories and so on. So individual insurers will doubtless be quick to point out that this is because, generally, commercial premises are so well protected and because *such care is taken in the move*ment of money—each to a degree far, far greater than the average householder would ever contemplate.

The ever-worsening scale of domestic crime losses has been the main factor in the considerable rating charges that almost all insurers have imposed over the last 18 months. The standard *home* "contents" rate of 25p per cent is no longer standard—many insurers now charge a minimum of 30p per cent and have a scale of rates that rises upwards commensurate with the crime *rating attributed to the location* of the policyholder's home. In the outer London and home counties areas, rates of 50p and 60p per cent are, regrettably, *now commonplace*.

Even if the long-standing problem of under-insurance is really in the process of being eliminated by indexation of sums insured, if *insurers'* crime loss payout continues to increase ahead of the rate of inflation, there seems little doubt that in a year or two *insurers will have to look again* at the high rates they are now charging for contents cover.

Police and insurance statistics show that the majority *of domestic thefts occur* between 10 am and 4 pm, when many houses and flats are empty, perhaps just for an hour or two, perhaps for the whole of that period. Also there are a nubmer of "walk in" burglaries both by day and night, when homes are occupied but doors and windows are left open. Moreover, crime is a regional problem: in 1978 one home in 17 was burgled in London compared with one home in 38 elsewhere.

Statistics show that occupancy—or rather unoccupancy—is material to the evaluation of *the domestic urban or suburban* risk, and emphasise that insurers are entitled to charge high rates for the insurance of contents of homes and flats that *are regularly left empty, day by* day.

Last year Consumers' Association, in giving evidence to the Law Commission on the still debated reform of the law dealing with disclosure of material facts, commented "few people realise that the burglary risk is increased if a man's wife, who used to be at home all day, starts going out to work. . ."

I doubt that the average Briton is so blinkered, but just in case may I emphasise that, in these days insurers should *be told of regular unoccupancy*—whether this is a fact at the start of the insurance year, or a subsequent development. It is better to inform—and pay any etxra premium that may *be* remanded—than to have an argument about non-disclosure after a theft has occurred.

Costs of freeing the chain gang

BUYING A house can be a long *and tedious* business with a thousand and one things to worry about. Nothing is, therefore, more frustrating than to exchange contracts subsequently to find that the date of transfer of ownership has been put off. Such delays can involve considerable expense for the purchaser, especially if the vendor defers completion beyond the 28 days following exchange of contracts.

The most common cause of delay arises because people involved in buying and selling houses are in a chain. Someone in the chain often delays completion on the house he is selling until he has completed on the house he is buying. He wants to be certain that he can move into his new house before relinquishing his old house. This, of course, is an understandable reaction but a delay in any link has repercussions right along the line.

If everyone stays put then no one suffers financially. But often one link in the chain has to leave his house by a certain date and does so in good faith, only to find that he cannot move into his new home. As a result he has to store his furniturea nd find alternative accommodation.

Until now,i t was simply a matter of "tough luck" on the purchaser. But a recent House of Lords ruling has changed this. In the case in question, which arose as the result of a delay in the chain, the buyer was awarded damages as a result of the seller failing to complete on the agreed date.

Although *this should be a* warning to vendors that they ignore completion dates at their peril, it has to be remembered that the judgment was reached *long after the buyer concerned* had incurred financial loss. A new insurance policy, which will cover financial losses in such situations there and then has recently been launched.

This new facility—the House Purchase Scheme—is being test marketed by C.T.I.-Dominion Title Insurance Company, a member of the U.S. insurance group Lincoln National Corporation, which has tssets of $6bn. C.T.I. specialises in house buying insurance and in this case the buyer of the house can be *indemnified against the seller* not completed for one of eight specific reasons.

One reason is the wilful failure ofthe vendor to give vacant possession—including the effect of being caught in a chain. Other reasons include the death of the vendor prior to the contractual completion date and the vendor going bankrupt. Should such an event happen, the company pays out a lump sum, together with a daily payment for each day of the delay *up to the date on which* the contract is rescinded with a maximum of 28 days.

The amount of the payment varies with the purchase price of the ho/se. For a £20.000 house, the payment would be a *lump sum of £100 plus £10 a* day. The cost oft he insurance meanwhile, is 50p for each £1,000 of the price of the house.

The insurance has to be arranged by the purchaser's solicitor handling the housebuying. So CTI is not prepared to accept quotations direct from the public. Among other things, it needs to control the claims *and prevent any collusion* between vendor and purchaser.

The insurance benefits are payable irrespective of whether the purchaser incurs a financial *loss from the delay*. Taking out such a policy does not preclude the buyer from taking legal action against the vendor if he so wishes.

So far we have considered the effects should the vendor delay *completion*. But *what happens* when the purchaser wants to delay completion, perhaps because he has not raised sufficient finance? The person selling his house may need the money in order to finance the buying of his new house. Delay could force him to take bridging finance from his bank or some other source.

The need for this type of insurance is well appreciated by Mr. David Bristow, the managing director of CTI-Dominion. He hopes the company will be able to launch a suitable insurance facility later this year.

Eric Short

YOUR SAVINGS AND INVESTMENTS

An encouraging example of open reporting by a pension fund

Old King Coal leads the way

ON THURSDAY the Mineworkers Pension Scheme, one of the two pension funds administered by the National Coal Board, published highlights from its annual report and accounts in various newspapers. At the bottom of the advertisement was an address which readers could write to if they wanted copies of the full set of accounts.

Not so very unusual, you might think. The Financial Times pages are full of such advertisements by major public companies.

But not from pension funds. To my knowledge this is the first time a pension fund has placed such an advertisement, let alone issued a general invitation to collectors of annual accounts.

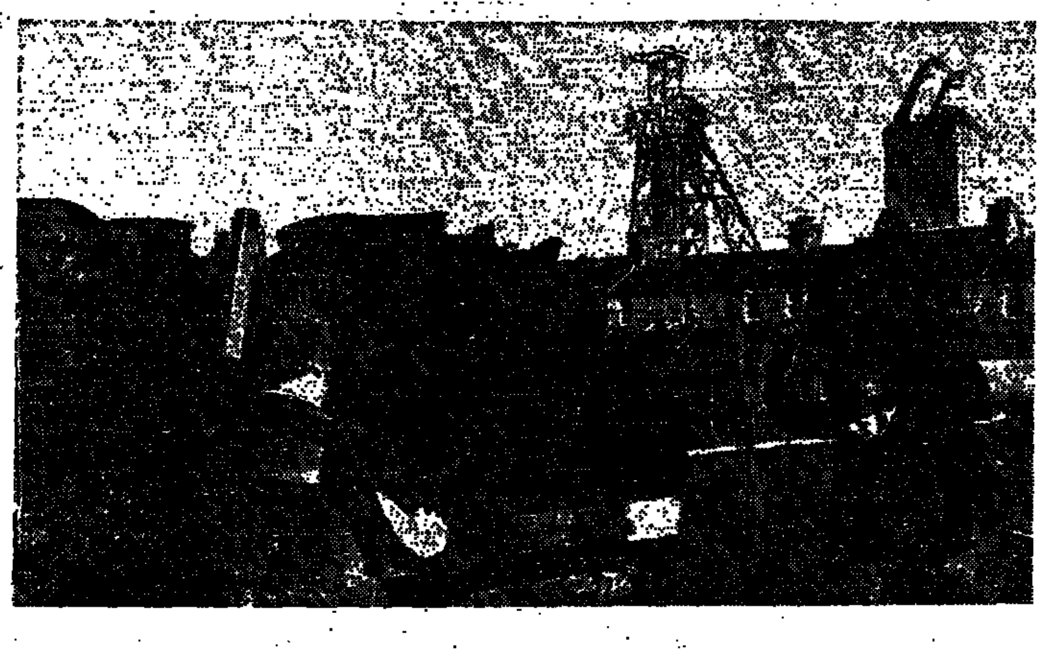
Pension funds are not under any statutory duty to produce accounts, let alone distribute them to pensioners or contributors. Most of the larger funds, to be sure, do produce them and make some effort to let members know they are available.

Yet, unlike the company sector, where full public disclosure has been accepted practice for years, the pension fund movement, controlling funds of perhaps £40bn, is shrouded in secrecy.

The Electricity Council pension funds, for instance, refuse to let non-members have copies of their accounts even on special request. This position could change following the publication (expected in the summer) of Sir Harold Wilson's report on the functioning of the financial institutions. One of the areas he has been openly concerned with is the accountability of pension funds.

The Mineworkers' fund, therefore, is probably only leading the way on a road all major funds will soon have to follow, if Wilson's recommendations are accepted. Already the National Association of Pension Funds is drafting a Code of Practice recommending publication of an annual report.

The Mineworkers' accounts, meanwhile, make interesting reading not only to the 251,000 contributors and 254,000 pensioners but to all investors interested in how the professionals within the institutions have fared and how they split their portfolios.



A particular feature of the £940m fund is the emphasis placed on property investment, accounting for one-third of the portfolio.

The fund has been a pioneer in direct investment to provide development capital and small business aids, investing £7.6m in the year.

Finally, the trustees provide a table showing the performance of their managers. In 1979 investment income represented a return of 9.56 per cent. The previous year the average yield had been 8.44 per cent, a level roughly sustained during the previous two years as well. This return, they claim, puts them in the top 10 per cent of funds whose performance is measured by stockbrokers Wood Mackenzie.

CHRISTINE MOIR

Keeping the discount

THE OPERATION of the No Claims Discount system in the calculation of motor insurance premiums has provided an acceptable means of differentiating between drivers with clean motor driving records and those with a history of accidents. It is, however, by no means entirely fair to drivers, since it is a "no claims" and not a "no blame" discount.

Few drivers will ever admit that they were in the wrong. Some will even claim that stationary cars backed into them. But in certain types of accident, such as someone else running into a correctly parked car, it is quite obvious that the driver is blameless.

If the other driver does not stop to admit responsibility or otherwise cannot be traced, then the motorist has no alternative but to claim on his own insurance and lose his NCD—adding in the process insult to injury. This week, however, the AA Insurance Services launched what could be the solution — A "No Blame Bonus" through JSB Motor Policies at Lloyd's.

This policy allows a 60 per cent NCD for drivers with a four years accident free record and 65 per cent for drivers with five or more consecutive years without a claim. If the driver makes a claim which cannot be recovered and for which, in the underwriter's view, he was not to blame, then the discount remains intact. Where the fault is divided between drivers and JSB can recover part of the claim, then the NCD is reduced to 50 per cent. If the driver is at fault then the NCD drops to 40 per cent.

Despite this extra benefit, the premiums charged by JSB are comparatively low. By the very nature of the scheme, only careful drivers are likely to apply and te underwriters will not accept any driver with less than a four years accident free record.

Premiums for a driver of a Ford Escort 1,100 cc with five years free of claims vary from £34.70 to £51.30 depending on the area of residence, the driver paying the first £25 of any claim. The scheme is only available through the AA. E.S.

Investors pay for their gains

UNIT-LINKS

ERIC SHORT

FOLLOWING THE Budget proposals unit trusts are exempt from capital gains tax, though unit trust investors will now be assessed at the full rate when they cash in their holdings. On the face of it, it is a sensible change which will make administration easier and give managers more flexibility in their investment decisions.

Such a changeover, however, has severe repercussions for existing unitholders making regular savings into unit trusts through a life assurance contract. The change is going to penalise them, especially if they intend to cash-in shortly.

The problem arises because in purchasing units through a life policy, and getting the life assurance tax credit, the life company is the holder of the units, not the individual. As long as the life company is purchasing units and financing cash-ins out of premiums and investment income it will not have to pay CGT. This will only happen when the life company has to actually sell units to meet redemptions.

There is, however, a potential CGT liability every time a unitholder cashes in his policy to meet this liability the life company has to set up a reserve. This is done by deducting the estimated liability from the amount paid to the policyholder. It is the responsibility of the actuary to take into account the expected period of deferment of the tax. The amount held back is put into the reserve.

Generally actuaries have been deducting this liability at half the CGT rate applicable. Prior to the change in the Budget, unit trusts paid CGT at a rate of 10 per cent and the unitholder had toa ccount for the outstanding 20 per cent.

The system has been changed twice in the past seven years, so policyholders can be forgiven for feeling utterly confused. The position now will be quite different to what the policyholder was told when he or she took the contract out.

This tax, however, is retrospective, since life companies have not yet paid CGT on their liabilities. When this happens they will be assessed under the new system, even though the reserve has been built up on the old basis. This is now insufficient and companies cannot go back to policyholders who have left and ask for a refund. The additional resvrees will therefore have to be paid for by shareholders. S and P is having to find another £750,000, M and G at the most £700,000.

The life companies are not accepting this without a fight. They have asked the Inland Revenue to allow some mitigation of the situation by having a special base price for units as at the date of the Budget. Moreover, the Life Offices Association intends to pursue the matter in Parliament should the Government be unwilling to accede to its request.

Long term, it would be more logical to treat the policyholder, not the life company, as the unit holder and thereby allow him to use his CGT reliefs. The life companies seem reluctant to pursue this change.

Making the best of a handshake

REDUNDANCY

TIM DICKSON

REDUNDANCY, like accidents, is always some-one else's problem. For those in supposedly safe jobs, the prospect is unthinkable.

In view, however, of the Government's assumption that 1.8m will be out of work at some stage in 1981/82, not to mention other more pessimistic predictions, such cosy complacency is likely to be shattered in the months ahead. The situation is already pretty bleak with 85,000 redundancies notified to the Department of Employment between January and March—the highest first quarter figure since 1971. Things will probably get worse.

It is therefore well worth knowing your rights if redundancy strikes and, perhaps more significantly, the Inland Revenue's treatment of any compensation or ex gratia payments you may receive from your employer.

Most big companies admittedly negotiate their own, often generous terms, but for the benefit of those at the mercy of more mean minded bosses there are certain minimum statutory requirements. Broadly speaking male employees under 65 and females under 60 who have competed two years "reckonable service" since age 18 are entitled to compensation if dismissed due to redundancy. Entitlement is based on three variables: age, length of service—up to a maximum of 20 years—and weekly pay up to a maximum of £120.

For each year you have worked for your employer between the age of 41 and 65 (60 in the case of a woman) you get 1½ week's pay. This falls to one week's pay for each year of service between the ages of 22 and 40 and half a week's pay for each year between 18 and 21.

Once you have actually negotiated your lump sum payment, the next step is to make your peace iwth the Inland Revenue. In the end, it all boils down to a question of definitions.

If, for example, you are made redundant in the middle of a service contract, all "contractual benefits" such as salary or perks will be wholly liable under the normal tax rules. If, however, you can establish that any subsequent payments do not fall into this category, the next semantic exercise is to distinguish between compensation and ex gratia payments, both usually referred to under the loose heading "golden handshakes."

It is well worth seeking expert advice on this subject but in general terms compensation is payment made either as damages or in lieu of litigation (e.g. satutory redundancy); ex gratia payments are entirely voluntary and made without obligation or threat of legal action.

The first £10,000 of both types of pay off are entirely tax free:, but extra relief for ex gratia payments can be obtained by opting for what is known as the Standard Capital Superannuation Benefit (SCSB). (This is worked out by taking your average annual pay over the past three years, dividing it by 20 and multiplying the result by the number of years you have served your employer).

If for instance, your average salary over the last three years was £10,000 and you have been a loyal employee of 25 years, the SCSB will work out at £12,500 (£10,000 divided by 20 multiplied by 25). This is clearly a better bet than the £10,000 minimum.

Tighten your belts now for an illustration of what is known as "top slicing," the method of calculating the tax liability on golden handshakes. Assuming that the employee in the previous example receives an ex gratia payment of £24,000, he is left with a taxable element of £12,000 after knocking off the SCSB.

This balance is then divided by six—making £2,000 in our example—and a notional tax bill calculated on the total of this figure, plus income from a new job plus investment income in the relevant tax year. Earnings from the previous jobs are ignored. The individual's normal personal allowances are taken into account and the result is finally multiplied by six to arrive at the answer, i.e. the total tax liability on the ex gratia payment.

Redundancy, as this example shows, is best timed to coincide with the end of the financial year. Don't let your employer persuade you to remain "just another month" with the company if this includes April 5—otherwise much of your handshake could effectively be cancelled out since the "top slicing" wil be worked out in the following financial year when earnings from another job could be considerable.

"Top slicing" of compensation payments, meanwhile, follows roughly the smae formula — instead of dividing the taxable balance by six, however, substitute the number of years of an unexpired contract.

Last August the Inland Revenue published a consultative paper which, among other recommendations, suggested that compensation and ex gratia payments should be treated in the same way and that the complicated "top slicing" rules should disappear. No legislative changes have yet been proposed and one must therefore assume that the present tortuous arrangement will continue for the foreseeable future. It is well worth getting expert advice if your golden handshake is taxable—employees who have worked abroad for some of their lives will also find that they may qualify for extra relief.

Two new offshore funds

NOW that exchange controls have gone and unit trusts can effectively manage gilt-edged securities, why bother to set up offshore funds?

Answers come in the form of two new vehicles this week: the National Westminster (C.I.) International Bond Fund and the Craigmount Gilt Fund (Jersey).

The NatWest offer is similar to the Guinness Mahon Trust launched last week aiming for a high level of income and a measure of long-term capital protection. The portfolio will be diversified in respect of currencies, with the main are of investment being bonds and other fixed interest securities paying coupons free of witholding tax. Apart from being attractive to overseas residents as well as UK investors, the fund is based offshore mainly because if it was based in the UK its income would suffer corporation tax at 52 per cent.

Craigmount, meanwhile, explains that its pre-launch marketing showed that there was strong demand for a gilt edged fund from expatriates. In the words of Mr. Ken Renton, Craigmount's investment manager many of these might have been "a wee bit averse" to coming in if the fund had been registered in the UK. The trust will, in fact, be registered in Hong Kong and will aim for an income initially of 14 per cent.

T.D.

No go for movie moguls

BRITAIN'S BUDDING Sam Goldwyns, private investors planning to switch funds into backing films to benefit from capital allowance tax-breaks, have been torpedoed by the budget. Film Funding, the company set up to channel cash into EMI Films, has found itself back at square one with a scuppered scheme and a mountain of obsolete brochures.

The Chancellor's Budget has stopped individuals benefitting from capital allowances. The aim was to regulate leasing, but Film Funding has been caught on the rebound. Film negatives still qualify for capital allowances, but private investors cannot take them.

"You can't make an omelette without breaking an egg, and we're a broken egg," said FF director Paul Boyce-Mears. There has been "a total annihilation" of the original scheme, he says, but the company is knuckling down with ice-packs and a copy of the Finance Bill to see where other possibilities lie.

FF is not yet ready to discuss its future, but one possible conduit for venture capital into films is the newly-established favour shown to investors in small companies, who can use losses and interest on borrowed investment capital to bring down tax bills.

Disentangling the former shceme has not been difficult. It was set for a ful-scale launch later this year, so only a handful of applicants to participate in a pilot scheme had to be disappointed. On the receiving end, EMI chief executive Lord Delfont said the collapse will have "no effect whatsoever" on the company's programme. Private capital is "all very well if people want to invest, but we never relied on it in any shape or form," he said.

Robert Cottrell

هكذا من الأصل

BOOKS

Willie's way

BY ANTHONY CURTIS

Somerset Maugham
by Ted Morgan. Jonathan Cape. £8.95. 711 pages.

The Scandal of Syrie Maugham
by Gerald McKnight. W. H. Allen. £6.95. 221 pages.

Ted Morgan's *is* the book Somerset Maugham dreaded ever being published. It's a great, bulky Life of more than 700 pages (including note and index) that tells all. Before he died Maugham took what steps he could to stop such a book from being written, but to no avail. He merely postponed the inevitable for a decade or so. His private correspondence was not destroyed as he requested. It was preserved in several leading manuscript collections in America where Mr Morgan, an American journalist, has had copious access to it. He has also had permission from Maugham's literary executor, the late Spencer Curtis Brown, to use this material as a source and to quote from it freely in direct contravention of Maugham's instructions.

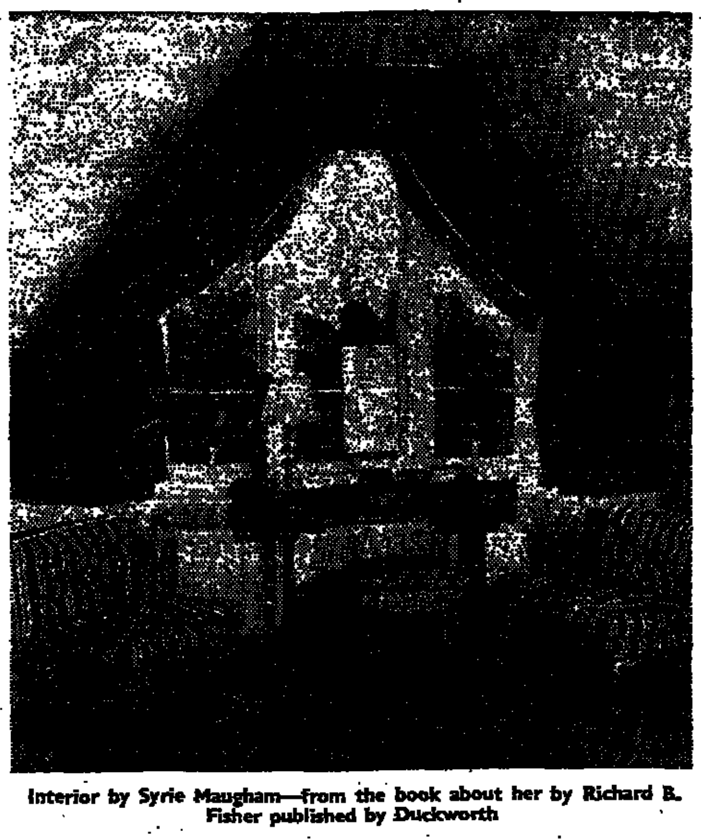
"Many people," wrote Curtis Brown before he died, in a personal note printed at the beginning of Mr Morgan's biography, "may think that I have acted wrongly. Only one man could have given me a clear decision and he was the man who had sufficient confidence in me to place his reputation in my hands." Curtis Brown felt that as books about Maugham were appearing in spite of the ban with alarming frequency, someone might as well be given carte blanche to write a definitive Life. He also had a loyalty to the living. Maugham died having published a very ugly portrait of his wife Syrie, causing great misery to their daughter. Wasn't it time, reasoned Curtis Brown, that a detached observer should put the record straight once and for all?

Morgan had begun with no official backing. He sent his typescript to Curtis Brown for vetting as to its accuracy. The executor was so impressed with the way the job had been done that he decided to give his imprimatur to the book. It was probably on balance a wise decision. Someone who foists his own personality on the public as constantly as Maugham—and who is on record as saying that it is in the end for his personality that we read an author—cannot complain if people want to know what he was really like. Though not entirely accurate in some of the surrounding detail about England, Mr. Morgan's book tells us what Maugham was like in many of his aspects with great industry and thoroughness. The author is a newspaper man: he has applied the technique of investigative journalism to the mysteries generated by Maugham and the result is a book that keeps you reading greedily in spite of its excessive length and Telex prose.

What were these mysteries? Well, money was one. That was always important to Maugham. He rated Balzac supreme among novelists for his understanding of its unique place in human motivation. *Maugham had a friend named* Bert Alanson, head of the San Francisco Stock Exchange, who looked after all his financial affairs. Maugham wrote to him and reposed complete trust in him for the whole of his life. He was the one person with whom Maugham never quarrelled. On his death Alanson's Maugham papers went to the University of Stanford with a strict embargo. Mr. Morgan read the papers, persuaded them to lift the embargo, and gives us interesting accounts of Maugham's deals with publishers and the various trusts he set up for the benefit of his companions and relations; also of a number of philanthropic donations to help indigent authors.

Maugham confessed to being sexually attracted by men but little was known about his lovers apart from the notorious Gerald Haxton. Equally mysterious were his alleged affairs with women. A Canadian scholar discovered the identity of Rosie in *Cakes and Ale* (Sue Jones daughter of the playwright Henry Arthur Jones) but were there any others apart from Syrie Wellcome? Mr. Morgan pulls away the wraps over these areas like a briskly efficient cleaning-lady going over a long-disused house with disinfectant. He reveals that when he was a young man Maugham had an affair with Violet Hunt, the mistress of Ford Madox Ford; and he gives us a full account of Maugham's homosexual adventures before he met Gerald in 1916, showing how Maugham had dissembled in his memoir *Looking Back*. *Maugham tells us there that* when he went as a student to Heidelberg he was totally innocent in these matters. He met an English aesthete named Ellingham Brooks with whom he had a series of intimate, literary conversations (he appeared later as Hayward in *Of Human Bondage.*) Maugham said disingenuously that it never occurred to him that Brooks might have been interested in anything other than the young Maugham's views on Swinburne and Meredith. Mr. Morgan reveals that in Heidelberg Maugham had an affair with Brooks who took his virginity. By seventeen he was already sliding down the slope that led to Haxton. *Even Mr. Morgan has* not been able to shed full light on the murky enigma of "Master Hacky." Why did the British immigration authorities refuse him admission and declare him an undersirable alien? Not it appears, as previously stated by Maugham-experts, because of a charge of gross indecency in a hotel in Covent Garden. He was acquitted of that charge thanks to a good defending counsel. But after the First World War they would not have Haxton back in spite of pressure in the highest places. They were quite right, but why? The answer is contained in the Haxton file in the Home Office and not even Mr. Morgan has been able to look at it. We will have to wait *until 2019 when its contents will* be made public.

But that, it must be said, is about the only factual enigma connected with Maugham the book leaves unsolved. It gives an account of the events leading *up to his marriage in 1917 in* Jersey City to the daughter of Dr. Barnado, and the rapidly worsening relations between these two highly gifted but hopelessly incompatible people, whose chances were not improved by the fact that Gerald entered Maugham's life in a big way at exactly the same time.



Interior by Syrie Maugham—from the book about her by Richard B. Fisher published by Duckworth

Syrie Maugham has already been the subject of a full-length study by Richard B. Fisher published by Duckworth just over a year ago, dealing with her work as an interior decorator and showing through illustrations how stunning her designs were. Now we have another book about her by Gerald McKnight without the benefit of any pictures: its only a *minnow beside Mr. Morgan's* huge sperm-whale of a biography but it does contain some interesting recollections from people who worked closely with Syrie in her heyday. She could be as unyielding as the furniture she bleached.

Some celestial Strindberg seems to have decided that these two people of infinite will and opposed sexual temperament should come together for an *appalling episode in the theatre* of cruelty. Mr. Morgan has no bias and tries to give us the facts as he sees them just as he does when he is dealing with the less emotive aspect of Maugham's career. It is only towards the end of the book that he loses his poise in his treatment of Maugham's secretary and companion, Alan Searle *for whom he does not appear* to share the admiration others have expressed for his handling of the senile and often deranged Maugham.

This is all the stranger because Mr. Searle appears to be the one person Mr. Morgan has not interviewed directly. The reader leaves the book much better informed about the *life and time of Willie Maugham* than one had believed possible. He did many terrible things but it should not be forgotten that he also wrote those stories and plays. He was often charming and perceptive, courteous and helpful to the obscure who sought him out, and brilliantly funny. These latter attributes become submerged almost to extinction in Mr. Morgan's book.

Nobel man

BY C. P. SNOW

Old Love
by Isaac Bashevis Singer. Jonathan Cape. £4.95, 273 pages.

Often enough, when the name of Isaac Bashevis Singer was mentioned in New York, someone would say: what a pity that you can't read him in Yiddish. That remark, like all similar ones — what a pity that you *can't read Rustaveli* in Georgian —never seemed particularly helpful.

All competent persons agree that Yiddish is a fine language, and without doubt specially adapted for a characteristic kind of humour of which Singer is a master. It is certain that the translations of his books must miss a good deal. It is also certain that an Anglo-Saxon reader misses a good deal by not knowing the Hasidic tradition which underlies many of Singer's stories — it was a singular offshoot of Judaism, packed with its own mythology, and a complicated kind of fancy, for which there doesn't seem any analogy in the offshoots of Christianity.

Reading Singer we are ignorant of many of the allusions and perhaps half the content — rather like a Chinese, quite unacquainted with Chris*tian images, trying to do his* best with the creative works of, say, C. S. Lewis. But we can still catch the other half of Singer's art, and, though it may be a presumption to say so, the more significant half.

Singer is one of the most beautiful writers of our time: not for his fancy, of which it is possible to get fatigued, and not for the simple elegance of his language — however much we miss at that level, there is plenty left — but for his human wisdom. It is a wisdom doubly *experienced, both from his own* temperament and also from what has happened to him. Temperamentally, he gives the impression of having been born detached, tolerant, acceptant. And then, as one of his assumed personalities says in a story in this book, he has been at home nowhere, and at the same time everywhere. At home everywhere, since human beings are in their deepest aspect (and certainly in their most ridiculous and lonely aspects about which Singer is a specialist) very much the same.

There hasn't been much in his actual life environments to make him feel at home. Jews in general, and Hasidism in particular, were still strangers in the Warsaw where his father was a Rabbi. Polish Jews seem to have been less part of the community than their counterparts in Russia, and this had a special meaning for a writer. Many of the most gifted of the Russian Jewish writers found it easy to merge into Russian literature. From the text alone would anyone know that Pasternak was not as Russian as Anna Akhmatova? Nothing like that happened in Poland.

Then, when Singer migrated to America, he was still a stranger. He wrote for the Yiddish press, now dwindling as the language itself dwindled. He watched American existence with interest, but didn't become absorbed. To say he didn't like *it would give a false impression.* He liked it as much, or as little, as existence anywhere else. He was no more at home in Tel Aviv or Jerusalem, though there he could meet old acquaintances from Europe and pick up the tag ends of old loves.

His essential support, through these wanderings, was the quiet assurance of his own perception. Human beings were not specially admirable, but they were all we could know, and not much different wherever we find them. He could sympathise with, and at the same time be amused by, any manifestation of the sexual life. There men and women got rid of most of the superficial differentiations, along with their clothes. In the stories in *Old Love*, a very good collection, Singer tells us more, with his mockings and brotherly feeling for human goings on, about sexual partnerships than any contemporary could manage with so little fuss.

He doesn't find it necessary to sweat over his pages, do research into anatomical possibilities, produce pages of sexual dialogue. Almost nothing in this book would upset the most innocent of readers: and yet he is saying a great deal more than the uninnocent know.

There are some splendid examples of this feature of Singer's art—usually too little noticed—in *Old Love*. The stories are usually tender in feeling, with a stoical realism underneath, as though saying that this isn't much, but it's all that men and women can hope for. One can find this in "Two," where a couple of young men contrive to live a homosexual marriage in an

Isaac B. Singer: unlikely partners

austere Jewish community in old Poland. Singer is just as confident with stranger and rougher matings. Elka is a character drawn with the hardest stroke, a tough harsh *woman* who doesn't believe in God or devil, who enjoys jeering at bodies in the mortuary where she works, and is as unremittingly jaunty when herself dying of cancer. Yet she has a genuine love for her pick-up Meir.

Just as a first taste, read "There are no Coincidences." A couple are stranded after a New York party on a hurricane night. A night watchman puts them up in a cellar. After a miserable night, they have a spasm of desire. Just an embrace, just that, but told by a master, one of the strongest talents alive, as well as one of the most endearing.

A reissue of The Family Moskat Isaac Bashevis Singer's chronicle of Jewish family life in Warsaw from the beginning of the century to the invasion of Poland in 1939, first published in Great Britain in 1966, has just appeared from Jonathan Cape at £7.95.

Made for two

BY ISABEL QUIGLY

Princess Daisy
by Judith Krantz. Sidgwick and Jackson. £5.95, 464 pages.

Amid much exposure and the chinking of record advances, *Princess Daisy*, a tale of exposure and publicity, arrives.

Child of a White Russian prince and an Italo-American film star, Daisy inherits amazing looks from the pair of them. The photograph of a blonde and admittedly beautiful girl on the jacket is, I think, a mistake because, on the principle that heard melodies are sweet but those unheard are sweeter, it seems artistically preferable to leave her looks to the *imagination*.

Daisy's birth involves a terrible secret—an identical twin whose mind never develops beyond that of a four-year-old. The parents part because of her, Daisy's life is spent earning enough to keep her and when, with unprecedented exposure, a campaign to sell a moribund brand of make-up is launched, she takes the job of publicising it with her *amazing* looks *for* the unprecedentedly huge advance of a million dollars in order to keep her sister in the home she's always known and her proxy stepmother, who has got leukemia but no money, in her French villa.

That's the skeleton of a story that switches back and forth between America and Europe, the *New York* advertising world and grand circles in England, and seems much more at home in the former than the latter. With the jolly four-letter-smeared chatter of television and business Judith Krantz seems at home and everything about the techniques and organisation of telly advertisements sounds authentic.

But when it comes to High Life she becomes, not a fly on

Judith Krantz: gossip-colomn public

the wall, but a tracker on safari, gingerly respectful, eagerly factual. All is explained in longwinded detail, names and firms and prices (in dollars) are given ("His shoes and boots came, of course, from Lobb and cost from 255 dollars a pair upward"), and even the names of real people ("HRH Prince Michael of Kent; Nicholas Soames, grandson of Sir Winston Churchill; the Marquess of Blandford . . ." or "certain 18-year-old eligible beauties — Jane Bonham-Carter, *great-granddaughter of Prime* Minister Herbert Asquith, who was already ensconced in the study of economics and philosophy at London University"); though an elementary mistake in the title of a central character suggests that research may not have been as thorough as it might have been.

Now, if one can speak of artistry in relation to such a book, I suggest that, like the too-specific photograph on the jacket, this particularity and *personalisation* is artistically wrong; not just because it dates the book even before it appears, but because it makes the whole thing much like what Mrs. Krantz calls "those sugary columns about society written by 'Jennifer' for *Harpers and Queen* magazine" or "Nigel Dempster's purposefully bitchy column in the *Daily Mail*."

Still, as the book's readership is no doubt envisaged as being just that of Jennifer and Dempster, perhaps that's no bad thing. A cheerfully readable lightweight with lots of explicit sex, dedicated to the belief expressed on page 3 that "*everybody* wants to be in show biz," it does, in spite not because of its own intentions, say something about today's dreams though not, as its documentary tone would have one believe, about its realities. If ever a book *was a branch of* show-biz this is it. The publicity that has launched it is worthy of the fictional Princess Daisy or of *Princess Daisy*, the novel. With illusion and reality so geminitically intertwined not just in the story but in its publicising and publication . . . Pirandello, thou shouldst be living at this hour.

Cracking-up

BY RACHEL BILLINGTON

I'm Dancing as Fast as I Can
by Barbara Gordon. Hamish Hamilton. £5.95, 313 pages.

"If people on the street in New York during the summer look drawn and anxious, it's because every shrink worth his Valium has disappeared."

Barbara Gordon's horrifying tale of her total nervous breakdown comes out of a society where medicating the mind has become as acceptable as medicating the body.

Ms. Gordon believes that her breakdown was due to taking her psychiatrist's advice literally and suddenly stopping her regular daily intake of Valium. She was swallowing 30 milligrams a day, described by the distinguished Professor of Clinical Psychopharmacology who writes a foreword to the book, as "about the upper end of the normal range of dosage." The nightmare that followed, of torture by her lover, mistreatment by various psychiatrists and hospitals until she eventually meets the good therapist who makes her whole again all can (if her thesis is to be taken seriously) ultimately be traced back to that Valium dose, routinely prescribed.

Of course, Ms. Gordon could hardly help but be subjective *about* such a *terrifying* experience. Indeed it is hard to believe rationally that she was able to recall in such detail the events. On the other hand, the book is compelling, the characters convincing.

The question, then, if one accepts the truth of the picture presented, is whether one agrees with the lesson. Ms. Gordon's view on drugs has obviously been affected by the fact that she feels they caused her breakdown and that they were not used to aid her recovery. This is unusual. Treatment of someone in her state is seldom attempted without some form of tranquiliser. Instead, she undergoes intensive therapy during which she manages at last to come to terms with her relationship with her family and other basic areas of anxiety. Pills, then are under attack, not therapy.

Such a conclusion leads one to the rather contradictory belief that Ms. Gordon was mentally disturbed before the Valium and that it can only be blamed for precipitating the crisis which led to her breakdown. And, one must add, to her eventual re-emergence to a stronger mental health than *she had ever before enjoyed*.

Ms. Gordon was a successful producer of TV documentaries before she became sick. She was told that one of her docu*mentaries had been nominated* for two Emmies while in hospital. Her fellow patients bought her flowers but regretted they could not provide champagne. It is an emotional moment, the outside world breaking into the inside. Ms. Gordon told them: "This is nicer than anything that anyone in New York would have done."

In the end, *I'm Dancing as Fast as I can* seems more of an indictment of a society than a prescription sheet.

[T]he British market for photographic equipment was worth nearly £400m. last year, although UK ownership of [c]ameras is among the lowest in Europe. The market is fiercely competitive as supply outstrips demand.

A huge choice at bargain prices

BY ELAINE WILLIAMS

The City Camera Exchange in Cannon Street, London

[N]OW IS a good time to buy [c]ameras and accessories. Prices [a]re competitive because supply [e]xceeds demand throughout the [w]orld. In addition, exchange [r]ates between the yen, the dollar [a]nd sterling have made equip[m]ent imported from the U.S. [a]nd Japan far cheaper than it [w]as a few years ago.

Fierce competition is evident [i]n all the major sectors of the [m]arket; at the low end in pocket [c]ameras made by such com[p]anies as Kodak, Polaroid, and [I]TT; in 35mm compact cameras [s]uch as the Olympus Trip 35 and [C]anon A35F, through to top [r]ange single reflex cameras [w]hich include manufacturers [s]uch as Nikon, Pentax, Canon, [a]nd Minolta.

In 1977 about 42m cameras [o]f all types were made. Accord[i]ng to Euromonitor, a market [r]esearch organisation which [c]arried out a survey on the [i]ndustry last year, about 38 per [c]ent were made in the U.S., 23 [p]er cent in Japan and 9 per [c]ent in the Soviet Union. Remain[i]ng manufacturers are from East [a]nd West Germany, other Euro[p]ean countries and Hong Kong.

The UK market for photo[g]raphic equipment was worth [n]early £400m last year. Five [y]ears ago, it was worth only [£]145m. Some forecasters say [t]hat the real growth in the UK [i]s in the region of 7 to 8 per [c]ent a year although others say [t]hat the growth will be only 5 [p]er cent and most of that due to [i]nflation.

Britain's ownership of photo[g]raphic goods is among the [l]owest in Europe. Euromonitor [s]ays average expenditure in the [U]K per household in 1977 was [o]nly £17 compared with over [£]50 in West Germany, Holland, Sweden and Switzerland.

The camera market is split [i]nto six distinct sectors: 110 [t]ypes, which are pocket [c]ameras: compact 35mm [c]ameras: so called "instant" [c]ameras which produced imme[d]iate results: single lens reflex [c]ameras, which are used by serious amateurs and profes[s]ionals: professional models which are usually large format cameras: and the 126 type camera such as the small box cameras.

The 110 and 126 are aimed specifically at the snapshot market and are cheap and simple to operate. The 110 is the largest of all the sectors while the 126 market is declinnig rapidly.

The instant camera market, in which the two U.S. companies Polaroid and Kodak are the only makers, competes with the pocket cameras but is aimed at those people who are impatient t osee the results. It is a market with a limited appeal, and film for the camera is expensive. The prices of all films have risen since the beginning of the year because of the violent fluctuations in the cost of silver which is the basis for all films.

The two most rapidly growing markets have been the compact and single lens reflex camera types. By value these are third and second respectively. It is these two markets which makers have been seeking to expand. To achieve this manufacturers have, over the last few years, attempted to make these more sophisticated and more expentive cameras simple to use—almost as simple as the pocket types.

The main agent of that change has been electronics; for two distinct reasons. Firstly, electronics has allowed the greater automation of production methods so that cameras can be made in greater quantities at lower prices. Secondly, the use of electronics in the camera design has allowed manufacturers to make cameras which automatically take light readings, set shutter speeds and even focus. The replacement of some mechanical parts by electronic circuits has kept the cost of manufacture down and increased reliability.

But to make the most benefit of mass production techniques, manufacturers have to sell high quntitives, hence the overcapacity which accounts for the fierce competition between makers.

Technical innovations have led to the introduction of new models at a remarkable pace. In 1979, Euromonitor estimated that new cameras were being introduced into the market at a rate of between four and five a week; many of them aimed to ween camera users away from the simple pocket types to the more sophisticated single lens reflex cameras.

Euromnitor says that in the UK this had led to frustration for the serious amateur because products may quickly become obsolete. It thinks the industry is likely to face a period of difficulty over the next few years if the situation does not become more stable.

The greatest innovation has come in the 35 mm camera market which covers single lens reflex as well as compact comeras. It has been forecast that the 35 mm market will continue to grow by value although the volume of manufacture will remain fairly static. In Japan alone, 6m SLRs are made a year.

Nikon expects that the SLR market will grow by between 8 to 10 per cent this year in real terms increasing total sales in the UK from 4?7,000 in 1979 to about 470,000 units.

Euromonitor predicts that this year the 35 mm market will represent 11 per cent of the market by volume, but 52 per cent by value. By 1982, the volume percentage will be unchanged but will account for 55 per cent of the value of the market. Much of this growth will be at the expense of the pocket and instamatic types. Nikon admits that it wants to attract those people who would noramly consider a Kodak instamatic.

The 35 mm market is contested by a large number of companies from Japan and East European countries while U.S. manufacturers have concentrated on the lower priced mass market goods. Many European manufacturers such as Rollei and Hasselblad have specialised in the very sophisticated professional end of the market where high price is matched by high performance.

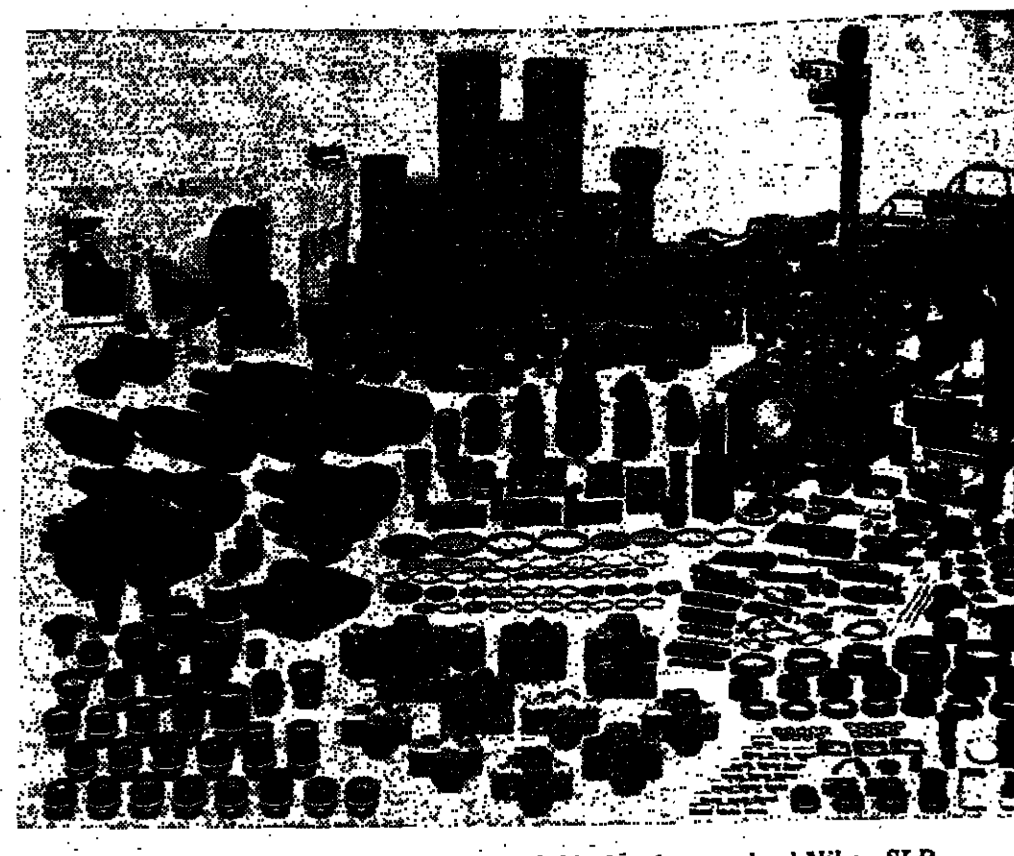
Producing goods which are cheauply priced it very important in the camera market: Last year Kodak announced that it would be ceasing production of all cameras in the UK because competitors from Korea, Taiwan and Singapore were producing cheaper cameras.

There has been another force in the UK market which has depressed camera prices. The high value of sterling against the yen and dollar have meant that cameras can be bought cheaply in Japan and the U.S., and even after duty has been paid they are still cheaper than equivalent models offered by authorised outlets in the UK.

Appointed dealers have to fight discount warehouses and other wholesalers who have imported cameras through sources other than the manufacturers. These so called "grey importers" offer cameras from the well-known makers at what official dealers consider to be unfair prices.

Manufacturers have been forced to keep prices low and have had to absorb price increases in the cost of manufacture. Also, if makers ask their distributors to drop prices on particular models the dealer has to be compensated for the amount of stock he bought in at the higher price.

However, even the effects of grey importing and the battle between makers to win greater market shares will not be able to hold off modest prices increases. Some makers are predicting these price rises will come in about six month's time and say that now is the time to buy equipment.



The huge range of accessories available for the standard Nikon SLR

Keen amateur needs set of lenses

IT IS not only the camera which the photographer must take great care in choosing.

A serious photographer will have at least four lenses of different focal lengths. Different lenses give different perspectives and therefore produce varied picture styles.

The shorter the focal length of a lens the greater is its angle of view. Similarly, the greater the focal length, the smaller its viewing angle. The focal length of a lens aso influences the reative size of the image.

When choosing a lens all the characteristics have to be studied. Wide angle lenses exaggerate perspective; long focal lenses diminish it. Wide angles have a greater depth of field than telephotos. Armed with this simple information the user can take interesting pictures with a small number of lenses providing he has made a wise choice.

The standard type of lens for 35mm cameras, which has viewing characteristics similar to human visin, is the 50 mm f1.4 (viewing angle 46 degrees). It is used when a photographer wants no perspective distortion. The fisheye lens, on the other hand, is the most extreme of all wide angles.

For wide angle photography, the 20mm f4 (94-degree viewing angle) is among the most popular with professionals since it can be used for many different types of photography.

Special purpose lenses include teleconverters, which adapt normal lenses to telephontos. Persepctive correction lenses compensate for distorition while macro lenses are intended for close up photography.

As well as camera manufacturers such as Vivitar, Nikon, Olypus and Canon, which support their products with extensive lens ranges a large number of lens makers offer compatible equipment. Tamron is one of the most successful.

ACCESSORIES
ELAINE WILLIAMS

Professional photographers say it is a false economy to choose cheap lenses at the expense of performance and care should always be taken.

Even without changing lenses, filters can add variety and interest to a picture and can compensate for light conditions. Filters are designed for both black and white and colour photography and are available from many companies.

Another important accessory for the photographer is a flash unit for indoor use. These are available from companies such as Vivitar, Braun, Kodak, Sunpak, and Nikon. There are several kinds of flash and their use depends on the overall effect required and on the lighting available. Camera shops will give advice on choosing a suitable type.

Motor drivers are used extensively for sport and news and photography and for making sequential shots, since they automatically wind the film after a picture has been taken. Most camera manufacturers include these in the range of accessories for SLRs.

The most useful aspect of automatic film wind is that the photographer does not have to take his eye away from the viewfinder while the film is advanced. This means he can concentrate on anticipating the action rather than on ensuring the camera is ready for the next shot.

Equipment needs to be stored carefully and one of the best investments is in a suitable case or bag. Metal cases give the best protection against the lements, but a large soft canvas bag is more practical when the photographer is on the move.

If the enthusiast wants to process his own films he must invest in fixing baths and chemicals, enlargers, photographic paper, transparency mounts and a host of other items.

The keen photographer constantly tries to extend and improve his picture-taking techniques and spends much time and money in doing so.

MAJOR SINGLE LENS REFLEX MANUFACTURERS

Nikon	(Japan)	Olympus	(Japan)
Asahi (Pentax)	(Japan)	Konishiroku (Konica)	(Japan)
Canon	(Japan)	Minolta	(Japan)
Fujica	(Japan)	Yashica	(Japan)
Rollei	(West Germany)	Ricoh	(Japan)
Hanimex	(Australia-Japan)	Vivitar	(U.S.-Japan)
Leitz (Leica)	(West Germany)	Hasselblad	(Sweden)

110 OR POCKET CAMERA MANUFACTURERS

Agfa	Fujica	Vivitar
Hannimex	Cosina	Minolta
Halina	Kodak	Pentax
Canon	ITT	Chinon

PHOTOGRAPHIC EQUIPMENT II

Sophistication links with efficiency

BUYING A camera today is a bewildering business. The range stretches from the simplest pocket cameras to large format models used by professionals and within each range models compete fiercely.

There have been several major breakthroughs in camera design aimed at making equipment easier to use and producing better results with the minimum of fuss. Manufacturers have also turned to automated methods of production and can produce more goods at a more economic cost. Therefore prices of cameras have remained highly competitive.

The cheap end of the market is covered by companies like Kodak with its Ektra range. The cheapest model in this range is the 12. Like all the pocket cameras it uses film cartridges and is simple enough for a child to use.

So called pocket cameras have become more sophisticated but still remain simple to operate. For example, some have built-in flash units. Agfa-Gevaert 901 was the first to have a motor to wind the film to the next frame once the picture has been taken, and Canon's 110ED 20 even records the date in the corner of the picture. Boots, ITT, Vivitar and Pentax also have models in the pocket range.

Further improvements include a telephoto lens in Kodak's Tele-Ektra 32 and Kodak has relaunched its Brownie camera, much restyled, and very little like its predessorI remember with so much affection. Again it is designed on the "point and click" principle.

One of the greatest innovations for the impatient photographer was the development of "instant" cameras by Polaroid. They allow the owner to see the immediate results of efforts to capture the moment. Both Kodak and Polaroid make instant cameras mostly aimed at the mass market, but many professional photographers use them to set up shots for other cameras and the building industry finds them invaluable on site.

Another development in the photographic market has been the improvement in 35mm single lens reflex cameras. Over the last two or three years manufacturers have been changing the emphasis on who should use 35mm SLR cameras. The main difference between an SLR camera and other types(it must be remememberd that thre are some 35mm cameras which are not single lens reflex) is that they view through the lens, so that the photographer sees what the lens can see. Therefor, he can focus on he subject with the lens. Also the camera can be changed, unlike most 35mm rangefinder and automatic cameras, so the amateur can experiment with different types of lens for various subjects such as sport, portraits, special effects underwaker and close-up work.

DESIGN

ELAINE WILLIAMS

Until recently, SLRs have been the preserve of the very serious amateur photographer or the professional. Those wishing to advance from the pocket or instant camera have usually graduated via the so-called cmopact cameras, which require a little more skill.

Again the variety offered by manufacturers is staggering. Perhaps the most well-known of the compacts is the Olympus Trip 35 which has been on the mraket for many years and is still a very popular model.

The majority of non-SLR compacts are rangefinder cameras, in which the picture is not viewed through the lens but they offere better quality photographs than the small camera ranges and the user has more control over how a picture is taken.

Increasingly, the 35 mm SLRs are encroaching on this market because electronics not only makes them cheaper, but also far easier to use. Manufacturers want to incerase sales of SLRs and are pressing home the fact that the latest electronically controlled ones are child's play.

Basically there are two types of SLR camera. The first is the manual SLR which includes models such as the Olympus OM 1 and the Nikon F2 (stortly to be replaced by the more sophisticated F3). The list of manual cameras is long and covers leading brand makers such as Asahi, Pentax, Canon, Minolta, Fujica, Yashica, Rollei, Ricoh, Hanimex, Konica and Vivitar.

The manual SLRs are highly sophisticated. Not only the lens but the viewer, motor drives, back, and meter head are all interchangeable so that the photographer can build his camera system up in the way he choses.

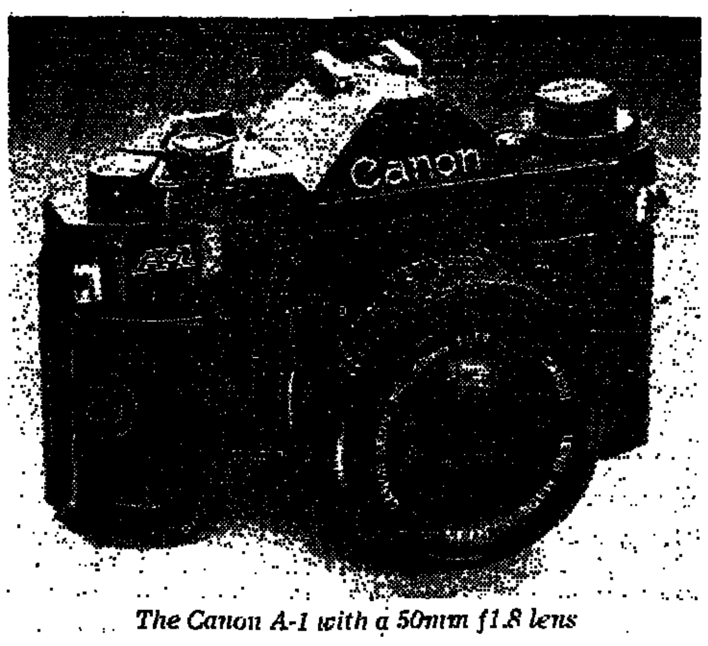
The newer generation of SLRs, thanks to electronics, are completely automatic. In the £100 to £150 range are the Pentax MV, Nikon EM, Olympus Om 10, Konica and the Canon AE 1 which was the first mass produced SLR. Again the number of models on the market is very high and it is difficult to make a rational choice when performances are similar.

The feature of automatic SLRs, which are aimed at the mass market, include meter, aperture, shutter control and film advance controlled by electronics. Components other than the lens are usually not interchangeable. These battery powered cameras are cheaper to produce than manual models and are more accurate. Manufacturers expect them to take an increasing share of the SLR market.

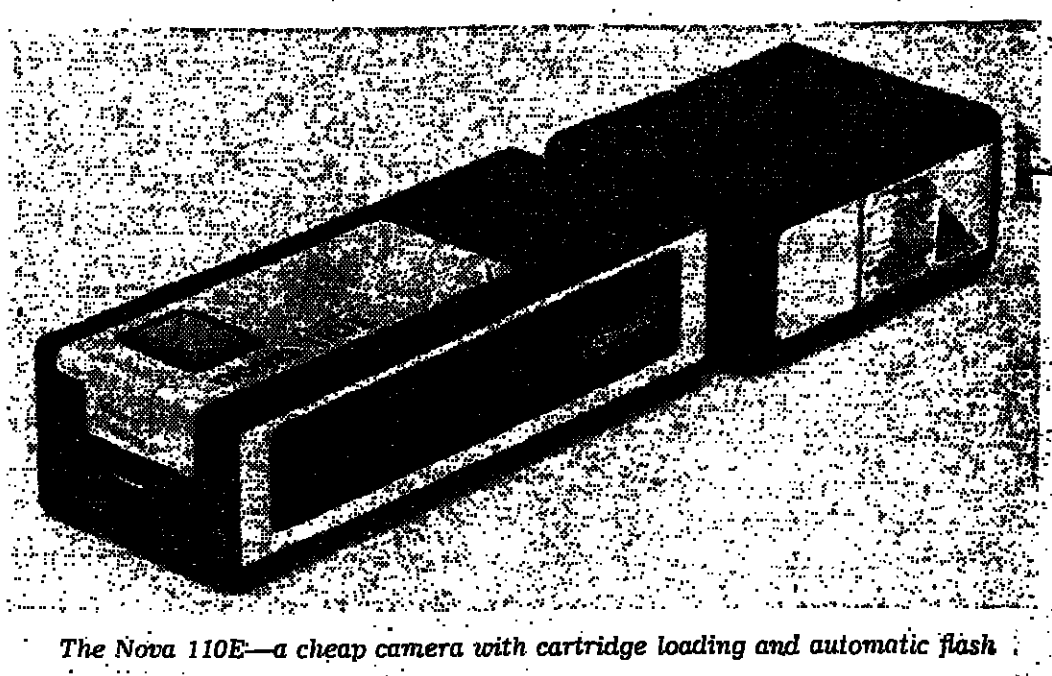
They are now being designed with built-in automatic film winds, motor drives which can operate at more than 10 frames a second, and information displays in the viewfinder, using light emitting diodes (LEDs).

No matter how much electronics take over the function of producing a good photograph, the creative photographer will still want a manual override facility so he can be in command of the shot.

But whatever camera is chosen, keeping to the basic rules of photography will often contribute more to producing pleasing results than will spending vast amounts of money on a system.

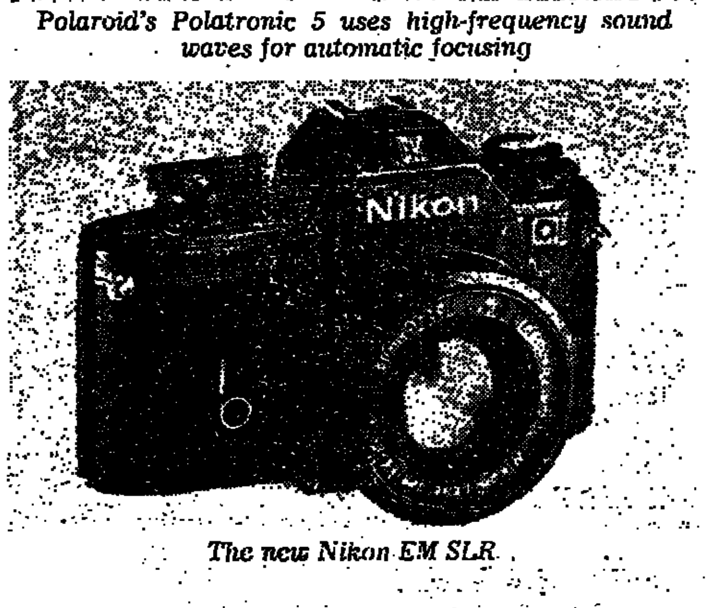


The Canon A-1 with a 50mm f1.8 lens



The Nova 110E—a cheap camera with cartridge loading and automatic flash

Polaroid's Polatronic 5 uses high-frequency sound waves for automatic focusing



The new Nikon EM SLR

A role for each type

FILMS

ELAINE WILLIAMS

THERE ARE many different types of film on the market from manufacturers such as Kodak, Agfa-Geveart, Ilford, and Fuji, some of whic hare only available in certain parts of the world. Each film has its own characteristics and these also vary slightly between batches. Very fastidious photographers will buy film in batches to ensure uniformity.

Film is classified according to the speed of its reaction to light which is given as the ASA reading. Twenty-five is the slowest and 400 is the fastest for normal photography although some film goes as high as 1,000 ASA for low light conditions. The slower the speed of the film, the finer the grain and the sharper the image. Increasing speed makes the grain more coarse.

The range and availability of film varies in different parts of the world and there are many more names that there are manufacturers However in the UK, films made by Kodak, Agfa and Fuji seem the most prevalent.

Each film type responds differently to colour. Kodachrome 25 is one of the sharpest and least grainy colour reversal films for transparencies available. Kodachrome 60, which is faster, has similar characteristics and is considered a good allround film.

Agfacolor CT18 and Ektachrome 64 are both general purpose films. CT18 produces warm tones, but it has a coarser grain and is less sharp than Ektachrome, which tends to produce harder, brighter colours. Ektachromes which are available in speeds up to ASA 400, are best processed soon after the film has been exposed. They need a processing method called E6 which is used by several manufacturers including Kodak.

Most films are available in amateur and professional versions. Professionals tend to store film in freezers for the best results and process films soon after exposure.

Colour negative films, which are used for prints, include Kodacolour I which is sharp and has fine grain and is considered by many to be an excellent general purpose amateur film; 3M 100, which is similar to Kodacolor, Fujicolour 400 and Sakuracolour II.

Most film is chosen with the intended type of photography in mind. News photographers tend to buy the faster films because they can cope with many different light conditions, while the slowest types are usually chosen for subjects like architecture where the fine detail is captured by the fine grain and sharp imaging.

All film materials deteriorate with time and are especially affected by temperature and humidity, which is why films for professionals, which are less stable than those for the amateur, have to be stored in cool conditions before use and require delicate handling.

Silver, which is the basis of all photographic film, rose sharply in price at the end of last year and forced manufacturers to raise their prices in turn.

Major users have been encouraged to try to recover some of the silver. Film manufacturers are the second larges users of silver and consume between a quarter and a third of the total used by industry. It is estimated that two-thirds of their consumption is recoverable.

There are two main sources of recoverable silver in photography: one is exhausted processing solutions; the other is processed scrap films and papers. When black-and-white films are processed, between 60 and 80 per cent of silver is removed and remains in solution in the fixing bath. When colours films and papers are used, nearly all the silver is removed by the fixing bath.

Video challenges traditional film

CINE

GARETH GRIFFITHS

THE TRADITIONAL home movie cine camera and projector business is apprehensive about its future, faced with strong competition from video assettes and discs. It is an apprehension made worse by the fact that the industry has never recovered the impetus of the 1950s home movie boom and that for the past 15 years it has been an enthusiasts' market rather than a general one.

Consumers are holding back from spending large sums on equipment while they assess the impact of the video revolution and new developments in the technology of cine cameras and projects. Sales at Christmas suggested a mixed pattern with some success from price cutting. Polaroid for instance said that it had benefited from a cash refund scheme which boosted sales. The sector also has a healthy second-hand trade.

Studies of the size of the market suggest there are about 500,000 serious home movie makers in the UK. The criterion for a serious home movie maker is the purchase of at least four films a year. By contrast, there are nearly 8m serious still photographers.

The market is dominated by foreign equipment with such leading names as Eumig, Kodak, Canon, Sankyo, Elmo, Beaulieu and Polaroid. Selling points are just as dependent on quality and performance as price, in view of the enthusiasts in the market.

Technical developments have played a vital role in the revamping of the home movie maker image. Traditionally the industry has had to contend with the suggestions that home movie making involved the tricky threading of film on to projector spools, difficult splicing operations, and the problem of carrying bulky equipment around the home or the countryside. In contrast, video has always enjoyed a neat, convenient "high technology" image.

The first major technical development aimed at a more sophisticated approach to home movie making was the introduction in 1965 of a super 8 millimetre gauge by Kodak. The public response was not encouraging, in sharp contrast to the warm welcome given to equipment providing synchronised sound and movement. Today there are indications that roughly half the equipment sold is capable of synchronised sound and movement.

This is possible because of a magnetic strip on the film. The sound is recorded 18 frames ahead of the corresponding picture to ensure continuity. Further development have included automatic level controls, the use of auxiliary sounds from TV sets, radios, record players, or tape players, boom microphones, timers and filtering equipment.

Running speeds for cameras have also been developed. The normal speed for super 18 cameras of 18 frames a second can be varied to 54 frames a second for slow motion or as slow as 9 or 12 frames a second. Dissolving facilities, film end signals and remote control units have also made their appearance.

Designers have increasingly opted for more compact equipment. Polaroid for example launched an instant movie system two-and-a-half years ago with a cassette and an electrically powered player. Sales however were disappointing because of the competition from video.

The price of cine camera and home movie film equipment varies from under £100 to more than £1,000. The most prosperous sector of the market at the moment is the sale of prepackaged films. Films that are on general release can also be bought for home showing at prices from £10 to £50. The makers of the popular film Star Wars distributed the film to home movie outlets before putting it on general release, simply to build up publicity.

Cine camera manufacturers have not conceded the battle to the video tape and video disc producers. There is still a heated argument over the relative arguments of tape versus film. Film enables enthusiasts to edit relatively easily while video editing is still fraught with difficulties. Film also presents users with continuity and a 50-year-old film can still be projected on modern equipment for instance.

Some video tapes may become obsolete as equipment advances and video cameras are heavier than cine ones.

The wait and see attitude of many consumers indicates though thatt he industry's confidence has been badly shaken by the video revolution. Equipment is mainly imported and there are few signs of any upturn in the market. The trade, by its wait and see approach, seems tacitly at least, to have accepted the dominance of the video tape.

PROPERTY

The feel of the place

BY JUNE FIELD

"The house was a real house —not a fantasy, makeshift pretence . . ."
— Cecil Beaton's Diaries.

T HEAMERICANS, past masters at marketing homes for sale as living, breathing places, have even been known to make sure that appetising smells of just-cooked apple pie as mother made it, waft from the kitchen as a prospective purchaser comes into view.

At Reddish House, Broad Chalke, Wiltshire, it is a trifle early for "the apricot rose fronds . . . cushions of pale blooms," that the late Sir Cecil Beaton, who died in January, described in *The Parting Years —Diaries 1963-1974*.

But the house that Sir Cecil bought in 1947 for £10,000, still retains its ambiance, for devoted retainer Mr. William Grant still puts flowers from the garden every day in all the rooms, just as he did when the stylish owner was alive; and this is only one of many little touches that reveal that this charming Queen Anne house is still very much a home, not a show-place.

Bedside reading matter includes Colette, Proust and Elizabeth David cook books, with, by the side of the fur-covered four poster, such homely trivia as a tiny tin of floral cacous bought at the local chemist in Market Place, Salisbury. Goldfish swim contentedly in the conservatory pool, and there are Loie Fuller *art nouveau* lithographs in the downstairs loo. The drawing room with its deep crimson walls, two Ionic columns, carved marble fireplace, ornate moulded ceiling, gilded overmantel and mirror centrepiece, is elegant, but sounds more formal than it is; and Sir Cecil didn't believe in hinding precious treasures away: all are openly displayed in alcoves or on tables.

A sofa covered in a traditional rose-splashed chintz matches the curtains, specially made from a fragment of 1910 fabric. The distinguished photographer, painter and stage designer wanted "a sober style of decoration" for his home, going to the Left Bank in Paris for "chairs and tables that delight in form, colour and price." even to the Flea Market, where "all sorts of old curtains and materials of a quality not to be found in England" were discovered. An eclectic mixture, but it works.

The purchaser of the delightful pink-brick four-bedroom, four-bathroom house in nearly six acres of gardens with its two thatched cottages, studio, summerhouse, magical water gardends and little landscaped islands with footbridges over the River Ebble, will have the option of buying, as per inventory, the curtains, carpets, garden furniture and some small items. If they are not required, then they will be included in Christie's auction of the main contents.

The deeds relating to Reddish House survive complete between 1599 and 1813, and the house was largely rebuilt around 1700 by Jeremy Cray, a clothier and John Coombes, a mercer; this was when the grander architectural features on the north front were added. The setting is Wilton Foxhounds country, with golf and racing at Salisbury, Hurn Airport and the sea 25 miles away at Bournemouth, and Weymouth and Southampton harbours some 30 miles or so off.

Reddish House, Broad Chalke, near Salisbury, Wiltshire, listed Grade II, is for sale by the executors of the late Sir Cecil Beaton. The Queen Anne house in nearly 6 acres has 3 living rooms, 4 bedrooms and 4 bathrooms. Brochure from Patrick Ramsey, Knight Frank & Rutley, 20 Hanover Square, London W.1 (01-629 8171), who are looking for offers in excess of £250,000. Unless previously sold the property goes to auction on June 9, when Christie's will be auctioning the contents.

Featured in the new issue of the Historic Buildings Bureau bulletin of architecturally interesting properties is Connaught Mansions, Great Pulteney Street, Bath. Listed Grade I, it has been converted by Barratt Developments into one- and two-bedroom apartments ranging from £28,500-£51,500 including carpeting, cooker, fridge-freezer and washing-machine. The stone of the fine 18th century building has just been cleaned and the windows reconstructed Georgian style. Brochure from the show flat, which is open seven days a week, 11 am - 6 pm, Bath 60023.

Serious inquiries can get further information from Mr. Patrick Ramsey, Knight Frank and Rutley, 20, Hanover Square, London, W1 (01-629 8171). The firm is auctioning the listed Grade II house on Monday, June 9, unless it is sold previously, and it is looking for offers in excess of £250,000. On the same day Christie's will be auctioning the contents, which are estimated to make around £300,000.

The contents will be on view June 5-7 inclusive, 9.30 am-5.30 pm, admission by catalogue only, which covers two, and is available £5.50 post free from Christie's. Catalogue Subscription Dept., c/o White Bros. (Printers Ltd.), Offley Works, Prima Road, London SW9.

Incidentally, the definition of the "listing" grades of historic buildings are given in the latest Department of Environment's Historic Buildings Bureau quarterly list of buildings for sale or to be let which has just been published. To get your home (or commercial premises), on to this compendium of unusual properties, the qualification is that it must be listed as of historic or architectural interest, and that it should have been in the hands of estate agents for about two months.

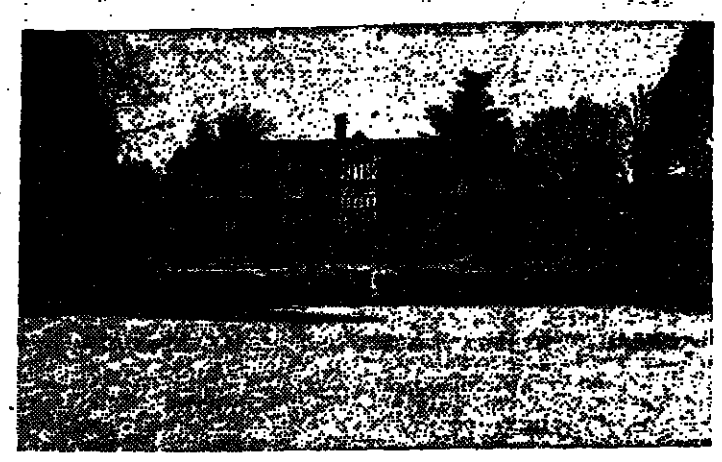
Inquiries can be channelled direct to owners if they wish, as long as they have informed their agent, so it is possible to affect a private sale if all the viewing arrangements are carried out direct with the inquirer.

I suppose that you could call the service a sort of giant Government property shop (some 5,000 lists go out every quarter), only the whole operation is free of charge. There is nothing to pay for putting your property on, and the list is sent free to anyone seriously interested in searching out unusual property. To get it, send a postcard to Mr. M. Harman, DOE, Historic Building Bureau, 25 Savile Row, London, W1, who can also advise on whether your house s of sufficient interest, historically or architecturally, either on its own, or because of its "group value," to be listed.

Because of the necessity of compiling the particulars well in advance, some places of course are already sold by the time they are issued. Even so, it is as well to remember that the properties described are not necessarily all red-hot bargains. Indeed one might consider some of them, such as the railway stations, ancient churches and derelict mansions, as lame ducks that are a problem to dispose of. One of the main benefits is that in a limited way, one does get some idea of what is on offer in variuos parts of the country.

You can take you rpick from redundant schools, coach-houess and lodges, and abbey and a town hall, spread around Bedfordshire to the Borders region of Scotland, Sussex to the Sshetlands, Greater London to the West Midlands. Not everything for sale is old. A house in Highover Park, Amersham, was built in 1929 by Amyas Connell, described as "essentially a design of the avant-garde movement."

Also on offer is a converted windmill in Suffolk at £30,000, a pair of Regency heuses for restoration in Broseley, Shropship (£16,000 the two), an 18th century modernised terrace cottage at Bearsted, near Maidstone, Kent, £21,000, and a fisherman's cottage in Cornwall, £35,000.



The principal wing of the listed Grade II Jacobean Manor House, Upton Grey, near Basingstoke, Hampshire, with two bedroom and bathroom suites large studio, and spaecious living-rooms, plus an acre of Getrude-Jekyll landscaped garden, for sale at £115,000, is featured in the latest issue of the Historic Buildings Bureau bulletin. Details of this property only from John Brain, Messenger May Baverstock, 4 Castle Street, Farnham, Surrey (0252 714164). Copy of the HBB bulletin from Mr, M. Harman, DOE, 25 Savile Row, London, W.1.

MOTORING

Safety comes first

BY STUART MARSHALL

SUPPORT FOR my view that the driving test is far too easy came from Mr. Robert O'Hanlon, *Staffordshire's deputy chief constable*, last week.

Speaking at the Folkestone conference of the Royal Society of Health he maintained that a stricter driving test (plus tough new laws to curb drunken driving and make seat-belt wearing compulsory) would considerably reduce the present 6,000-a-year death toll on Britain's roads.

A more demanding driving test should, he said, last at least one hour. It would include driving on dual carriageway roads and a pre-condition of putting in for a test should be experience of night driving. In other words, as I wrote here a month ago, the test should be a lot closer to the Institute of Advanced Motorists membership qualifying examination.

Passing that means that you have a reasonable standard of driving skill, some knowledge and appreciation of the benefits of roadcraft and that you can safely drive a car up to maximum legal speeds on dual carriageways.

When I went on to say that the IAM member's lower accident risk was recognised by the insurance companies, I exaggerated. I should have said that it was recognised by the Cornhill Insurance Group, who recently increase my IAM membership discount from 15 per cent to 17½ per cent. The other companies, as insurance expert Ronald Beale subsequently pointed out in a letter to the Editor, have incomprehensibly dragged their feet. His theory is that they can't be bothered, though from the way they wring their hands over the rising costs of claims, one would have thought that anything which cut the accident toll would be worthy of their support.

With the annual premium for a very ordinary kind of car now well into three figures, I commend any reader to consider taking his or her IAM test and then switching to the Cornhill.

The other two moves advocated by deputy chief constable O'Hanlon are more controversial.

Compulsory wearing of seat belts is, in the view of most informed motoring opinion in Britain, long overdue. The recent action of the House of Commons in talking out a Private Members Bill that would have brought Britain into line with the rest of Western Europe was either a triumph for the democratic process or an indication that a small, hard core of Members are out of touch with reality.

Seat belts really do save lives and prevent disablement and disfigurement; ask any accident surgeon. Yet to some MPs, compulsory belt wearing is tyranny or worse. "Wicked, evil, horrific . . . an offence against the very ark of the covenant of a free society" was what one of them said about the Bill.

ripe phrase probably clunk- "Yet this master of the overclicks obediently in an aircraft without a second thought when the "fasten seat belt" sign goes on. What is so different about belting-up by order in a plane, where the value is minimal in a crash, and belting-up in a car, where the life and limb savings benefits are considerable and demonstrable?

It is simply that car seat belts are fairly new, whereas in planes they are as old as commercial aviation?

In the eyes of those who advocate compulsory belting, all this talk of an assault on personal freedom is a red herring. A driving licence is what it says it is; a permit, issued subject to certatin conditions. One is that the holder has attained a standard of skill sufficient to pass a test and has a fair knowledge of the Highway Code. Other conditions demand that you can read a car licence plate at 25 yars, that you don't drive with more than 100 milligrammes of alcohol to the millilitre of your blood and that you don't suffer from epilepsy.

Am I being simplistic—or would it not be just reasonable to lay down as a condition of holding a driving licence that the motorist and front passenger were legally bound to wear seat belts:

Tell me if I am wrong. But, please, no more airing of those hoary old myths about seat belts being dangerous, because you *might be trapped in a car that* caught fire or fell in a river, or you might be hurt because you couldn't throw yourself under the fascia when a collision was inevitable.

IN AMERICA, the household's seecond or third car is often a pick-up. They come in very handy if you have an eccentric hobby like hot air ballooning or windsurfing, which involves carrying around equipment bulky enough for an estate car, however, roomy, to baulk at.

The pick-up habit has not really spread to Britain yet. Here we think of them as builder's trucks, yet they are quite civilised machines from the radiator grille as far back as the seats. Take the Peugeot 504 pick-up that I used for a week recently. It is what the French would call a camionette; a little lorry. But as I sat in the driving seat, with one or two passengers alongside me, it seemed not much different from the basic version of the 504 saloon. True, the upholstery was plastic and there was rubber matting, not carpet, on the floor. The gearshift was as pleasant as ever; the steering fairly light; and even the ride was reasonable, though the unladen back end hopped about a bit under hard cornering.

Used as a car, it returns around 35 miles per gallon, though heavily laden (it carries one ton) and with the optional canvas tilt over the back 28-30 mpg would be more realistic.

The 504 camionette costs £3,622 (petrol) and £4,249 (diesel). The tilt is another £277.

Clean car

● "Clean Machine" is a new-on-the-market car vacuum that sucks up the dirt through a crinkly hose and deposits it all in an easily emptied pot. It works well on carpets and upholstery, swallowing dust and dog's hairs and even sucking cigarette ends out of ashtrays, givena little time. It is made in the U.S., works off the car cigarette lighter and can be used for at least half an hour without noticeably discharging the battery. Motor caravanners would find it especially useful. Price is about £20; inquiries to Disklane Ltd., 14, Bushey Hall Lane, Bushey, Herts.

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GARDENING

The new breed of versatile domestic tractor

BY ARTHUR HELLYER

GARDEN TRACTORS differ from ride-on lawn mowers in being designed to cope with a much greater variety of work. They are essentially machines for the larger private gardens but also for small to medium scale commercial work, particularly inside large glasshouses, in small fields and in other places where a compact machine with extreme manoeuvrability is required. Until recently this has been a relatively small market dominated by a few small machines, notably the excellent Wheel Horse made in Belgium and distributed in the UK by G. D. Mountfield who are also well known for smaller rotary and ride-on mowers and two tractors similar in general characteristics to the middle size Wheel Horse models.

The Wheel Horse itself is available in a range of models from an 8 hp machine with a four-speed manually operated gearbox to 20 hp twin cylinder model with automatic transmission. Even the smallest will operate a 36-inch rotary grass cutter, either designed for rear or side discharge, and will pull a dump cart, a two-wheeled utility wagon and rollers, sweepers, lawn aerators and a snow blade (a kind of miniature bulldozer). For the larger machines there are tillers, ploughs, cultivators, spreaders, shredders, sprayers, harrows and many other items of equipment.

In recent years the Wheel Horse has had two serious competitors, one wholly British the other Japanese and each has been steadily increasing its share of what appears to be an expanding market. Both are exceptionally interesting in their very different ways.

The British machine is the Westwood, the brain child of Mr. Gerry Hazlewood, engineer and ex-rally driver, who has learned rapidly the particular problems that beset small tractors operated by largely unskiled labour often under conditions of considerable stress. He started in 1970 by manufacturing ride-on lawn mowers at High Wycombe but soon concluded that this market was too small and overcrowded to be profitable and changed to garden tractors which were not then being manifactured in Britain.

In 1976 the firms moved to a new purpose-built factory at Plympton, near Plymouth and in a few years has moved into a leading position in this market by sheer good workmanship combined with highly competitive prices. By 1979 production was running at an average of 112 tractors per week which this year has already climbed to 150 with a maximum of 205 in one week.

The Westwood Gazelle, as all the models are called, is available with engines of various sizes but with the same chassis, steering, and transmission in all the machines, though wheel sizes and cutting widths differ. At the bottom of the price scale is a 6 hp Tecumseh engined machine with recoil starter which sells at the remarkably low price of £499.00 complete. This is no more than the cost of many ride-on grass cutters yet this is a versatile little tractor solidly built and well able to pull trucks, sweepers, etc. as well as cutting grass rapidly and efficiently.

It is fitted with a 28 in rear discharge rotary grass cutter and, as with all the Westwood Gazelle range, the whole grass cutting unit can be removed rapidly and easily without spanners or other tools since it is attached by spring pins. This is characteristic of all the Westwood machines which are built for strength and simplicity of maintenance. Nuts and bolts that might work loose and fall off are replaced by welding or spring pins and all adjustments, including slack in the steering gear, are easily done by unskilled labour. There are five forward gears and a reverse, drive is by belts throughout with no chains to require lubrication and collect dirt. A disc brake is controlled by the clutch pedal.

This same model can be obtained with electric starter and self-charging battery and this equipment is standard on the machines with larger 8 hp and 11 hp Briggs and Stratton engines. These larger models are fitted with 36 in rotary cutters. Another sensible feature is that the rim of the grass cutter hood is strengthened by a welded steel bar which completely encircles it. Conventional hoods, lacking such reinforcement, are easily distorted if they strike a hidden obstruction in the grass and this can easily bring the hood into contact with the fast revolving cutter blades with dire results and usually the need for a major repair or replacement.

The Westwood W11 garden tractor
Available with engines of various sizes

Cottage capers

TRAVEL
ARTHUR SANDLES

SURELY THE first test for a good country cottage is that it should be difficult to find. A brief period of anxiety and frantic map reading is an essential part of the promised idyll. Whatever else a cottage is it should never be on the main road to anywhere.

There was a time when renting a cottage was easy almost anywhere else but in Britain. Villa rental became quite the think in the sixties, but anyone determined to retreat into the British countryside had to console themselves with word of mouth recommendations or plunge into the small ads of assorted weekly papers. Now times are changing, holiday rentals are still, if you forgive the pun, something of a cottage industry, but the research is getting a little easier.

True to form, my own research left me wandering the back lanes of Norfolg trying to find a Rose Cottage (of course) which anyone with the wit to arrive from the right direction would have found instantly. It was, indeed, the perfect retreat, complete with crunchy gravel driveway, gardens full of old English flowers, buzzing bees and cooing doves. Our city cat took to it all instantly — having once suffered a canal boat holiday she clearly though that simply to be land-based was a joy — and, to our relief, did not make instant war on the peacocks.

From then on it was a period of long walks, hearty breakfasts and plain straighforward relaxation.

Rose Cottage is one of a small Norfolk complex offered by English Country Cottages, one of the larger of the companies which have sprung up in recent years to handle a seemingly ever increasing demand. The best complete list I have seen is produced by the English Tourist Board and is in its brochure, Holidays 80. At this stage of the year you may need a fairly full list of addresses, since cottages are the sort of accommodation which fills up early.

The good things about cottage holidays are fairly obvious. The bad less so. Anyone booking a cottage would be well advised to read the booking conditions very carefully indeed. The cottage rental industry is not under the supervision of any Government agency, unlike foreign package tours, and few rental agents are members of the Association of British Travel Agents. When booking you are very much on your own. A Tourist Board (English, Scottish or Welsh) recommendation is a good starting point, but not a guarantee. Find out as much as possible about the cottage before you go. Perhaps the camera cannot lie, but it can tell a flattering story.

The Old Thatched House, Peasenhall, Suffolk, one of the properties featured in English Country Cottages' 1980 brochure.

Prices vary enormously, Rose Cottage this year would cost £129 a week in the early summer, but £183 a week at peak season. It sleeps five comfortably and six at a pinch. This puts it at the toppish end of the market. Something less sybaritic could be had for £65-£100.

Addresses: English Country Cottages, Vere Lodge, South Raynham, Fakenham, Norfolk, NR21 7HJ. Character Cottages, 34 Fore St., Sidmouth, Devon EX10 8AQ. Cornish Cottages, Worval House, Garras, Helston, Cornwall TR12 6LP (20p in stamps requested). Holiday Directory Services, Horrowbeer Land, Yelverton, Devon PL20 6EA. Country Farm Holidays, The Place, Ham Lane, Powick, Worcester. At Home Country Holidays, Arundel Holt Court, Bedham, Pittleworth, Pulburough, West Sussex, RH20 1JP. Cockbury Court Cottages, Winchcombe, Gloucestershire. Geoff Delolw, The Falls, Mansriggs, Ulverston, Cumbria LA12 7PX. Taylongs Holiday Cottages, 14 High St. Godalming, Surrey GU7 1ED. VFB (Rural Britain), 15 Rodney Road, Cheltenham, Gloucestershire GL50 1HX.

The irreparable harm done by the cart

GOLF
BEN WRIGHT

THE SHARP drop in A. C. Nielsen American television audience ratings on the recent Masters Tournament in Augusta, Georgia, contrasts sharply with the ecstatic reports one hears about ITV's astute decision to beam both CBS Television's Saturday and Sunday telecasts life by satellite, albeit at a later hour.

For some months members of the Press here have ravenously picked golf's corpse to the bone whole smugly and fatuously blaming television for the game's demise. In fact if and when monthly magazines and newspapers here condescend to cover the exploits of golf's heroes they usually do the job inadequately. Almost without exception these so-caledl experts rely on the television of the tournaments concerned, watched in their Press quarters, to help them to meet their deadlines. Yet these gentlemen are sadly only too swift to criticise the telcasts and those who put them together.

Many of the more intelligent professionals dread Press conferences here because the stupidity of many of the questions posed is monumental. The single worst example of this in my experience occurred at the Hawaian Open of 1974 after Jack Nicklaus's victory. Nicklaus had opened the tournament with a 65, but thereafter his scores went two strokes higher each day. His final round of 71 still allowed him to win comfortably, however. The eager reported in question recited those four scores and then, to the stunned amazement and eventual hilarity of all present, added the question: "Jack, what went wrong?"

It is therefore refreshing when sports writers of quality here attempt earnestly to analyse golf's current problems without taking the easy way out by blaming television either for over-exposing the sport or failing to humanise the new breed of players. In Sports Illustrated Dan Jenkins penned the definitive piece on the subject in his Masters Report, an article approached only remotely in quality by that of Pete Axthelm, the sports editor of Newsweek.

So what, if anything is wrong with the game? Axthelm blames the mechanised golf cart for creating an unhealthy image of golfers as unathletic, spoiled non-walkers who only stand up right at limited intervals, and I thoroughly agree with him. But I would go much further.

The whole American country club system is loaded aginst the young athlete. The very luxury of the clubhouse, the tennis courts, the seemingly inevitable swimming pool, the huge cost of maintaining artificially manicured courses and driving range, the huge bags of matched sets of 14 clubs loaded on carts and the ever increasing wage bill involved in servicing all these areas are all factors in forcing up entry fees and subscriptions. Consequently the young businessman with a family finds mebership of such a desirable leisure facility far out of his range.

A good friend of mine in a position of apparent strength as chairman of the board of a luxurious country club in Florida was recently angrily overruled by his elderly fellow directors for prroposing a sliding scale o fentry fees and subscriptions to encourage a younger membership. At another renowned and hilly club I visited recently in California practically no golf was played by the members when carts were banned after the torrential rain and flooding early in the year. As one member told me: "The members here are so old the majority couldn't even walk nine holes."

Certainly the number of captains of industry I have met here in the past year who have discovered the delights of walking over great British and Irish courses with a Sunday bag slung over their shoulders, even in the pouring rain, is quite astonishingly large.

There is no doubt that carts have done irreparable harm in America by discouraging youngsters from working as caddies as a stepping-stone to becoming players. The claim put forward in favour of using carts that more golfers can thus be accommodated daily on each course is often proved wrong by the erratic driving habits of the players concerned.

Simple British-style club houses with the minimum of frills and courses minimally maintained are obviously the thing of the future here in America. It is my opinion that carts should be banned except when the potential user requires one on medical grounds. But this is obviously heretical in the eyes of ageing club directors. For many years it was my opinion that club golfers paid far too little for their amenities in Britain. I was wrong. In these hard times of recession and inflation the game here in America can only become more and more the province of the old and the wealthy—a ghastly thought.

Golf may be suffering from over exposure by television. It is certainly not being helped by the lack of characters emerging to take over as immortals like Arnold Palmer, Gary Player, Nicklaus and most importantly Lee Trevino reach the twilight of their distinguished careers. But to those who know the television business the drop in ratings means little. It is not so much the numbers that matter. What is important is that advertisers are reaching the right kind of audience—the captains of industry—who are gradually discovering what the game is all about, and that it doesn't involve the wretched cart.

Nureyev to shine

RACING
DARE WIGAN

IN THE BELIEF that Nrueyev, with his fluent daisy cutting action, will be even better suited to first going than the yielding fround over which he has achieved his two facile victories, I anticipate a ruaway win for the French colt in today's 2,000 Guineas.

Although it is possible to criticise the recent Maison-Lafitte form which saw Nureyev defeating Vitrek (subsequently unplaced in second rate company), the manner in which the Francois Boutin-trained colt achieved his success could not be faulted.

Allowed to lob along towards the rear of the field for most of the way, Nureyev showed instant acceleration 1½ furlongs out to overwhelm his opponents in a matter of strides. France's champion jockey, Phillipe Paquet, was then content to ease the Northern Dancer colt close home but for which the winning margin of six lengths would have been considerably greater.

Boutin, a normally reticent and far from over-optimistic man, has maintained since last summer that Nureyev could be the finest horse he has trained and Papquet, who partnered such outstanding performers as Nonoalco and La Legune, is even more adamant of Nureyev's prowess — "without doubt the best I've even sat on."

This afternoon, I anticipate those English racegoers who returned from Maison-Lafitte, commenting "the best we've seen since Sea Bird II" being proved entirely accurate.

Final Straw, who is guaranteed to run his heart out, looks likely to be involved in a tight finish for the minor placings with Posse, World Leader and St. Jonathon.

Luca Cumani makes no secret of the fact that he considers World Leader a better colt than Royal Fountain and anyone not prepared to take prohibitive odds about the favourite could do far worse than back World Leader each way at 16—1.

Secret Ballot, who unexpectedly turned over champion hurdler, Sea Pigeon in the Scottish Champion Hurdle, is expected to take on Monksfield and Pollardstown in the £32,000 Royal Doulton Handicap Hurdle at Haydock on Monday. Even with a 6-lb penalty for his Ayr success, Secret Ballot will still be receiving 17-lbs from Monksfield and 13-lb from Pollardstown, and there must be grounds for thinking that he has a good chance of giving Jim Joel and Bob Turnell their second Doulton victory. They won the race 12 months' ago with Beacon Light.

Selections

Newmarket
1.45—Sheba's Glory
2.20—Show of Hands
3.00—Nureyev
World Leader e.w.
Vaigly
3.35—Vaigly Great
4.05—Blakes Beacon
4.35—Tolstoy

Haydock
1.30—Verbalism
2.00—World Affair*
2.30—Kris***
3.00—Rheinman
3.30—Joint Mercy**
4.00—Tilting

Kempton
1.30—Tumbler
2.00—Welsh Carnival
3.05—Spreading Sunset

HOW TO SPEND IT by Lucia van der Post

See the Bright Lights

BRITISH HOME STORES have long been renowned for the quality and the exceedingly reasonable prices of their lighting. Those in the know have for years made a point of looking at BHS departments before even considering the more expensive models from other, more upstage stores. If you've been used to going along to BHS for indoor lighting but thought you had to patronise more highly-priced establishments for outdoor lighting you *might like to know that now* they are catering for lighting for garden, patio or poolside as well.

Just in time for the summer season there is a *limited* but complete collection that caters *for almost every outdoor lighting* requirement. There are lights that you can stick into the soil, clamp on to a fence, a branch or a stake, lights that *you can fix on to a wall or patio* roof.

As you can see from the picture, they are based on one design, they are all made of a compound plastic with a smooth matt black finish and *most of the* mshould be fitted with a Par 38 spotlight or a floodlight bulb.

In the picture at the back there is a one-light wall spot (or floodlight) for £10.99. On the fence is a one-light clamp *spot (or floodlight) which costs* £14.99. In the background, on the grass, is a three-light spike mounted spot (again, it could also be floodlight) for £38.

In the foreground is a one-light spike at £12.99 while in the foreground on the right is a one-light spike mounted lantern which costs £18.99 and can be fitted with a 100 watt ordinary clear bulb. There are a few other *similar* fittings (*not* photographed) in the range and British Home Stores also sell the Par 38 spotlight bulbs at £3.25 each.

Hop on a Shopper

THE TROUBLE with this sweeping wave of enthusiasm for exercise is that it seems to be remarkably catching. I've already bought a leotard and joined The Dance Centre but still I feel very inferior besides those of my friends who get up at six to jog or play several *sets of squash a week*. Perhaps the answer is to take to bicycling — the new Raleigh Shopper is almost enough to tempt me.

I'm not the only one tempted —apparently sales of cycles in Britain are rising *fast* (*adult* sales of cycles have doubled in the last 10 years and last year some 1,450,000 were sold) and women are amongst the keenest users. *Given the cost of running* a car it makes a great deal of economic sense (quite apart from the exercise value it provides) if the second vehicle in the family is something as inexpensive to run as a cycle.

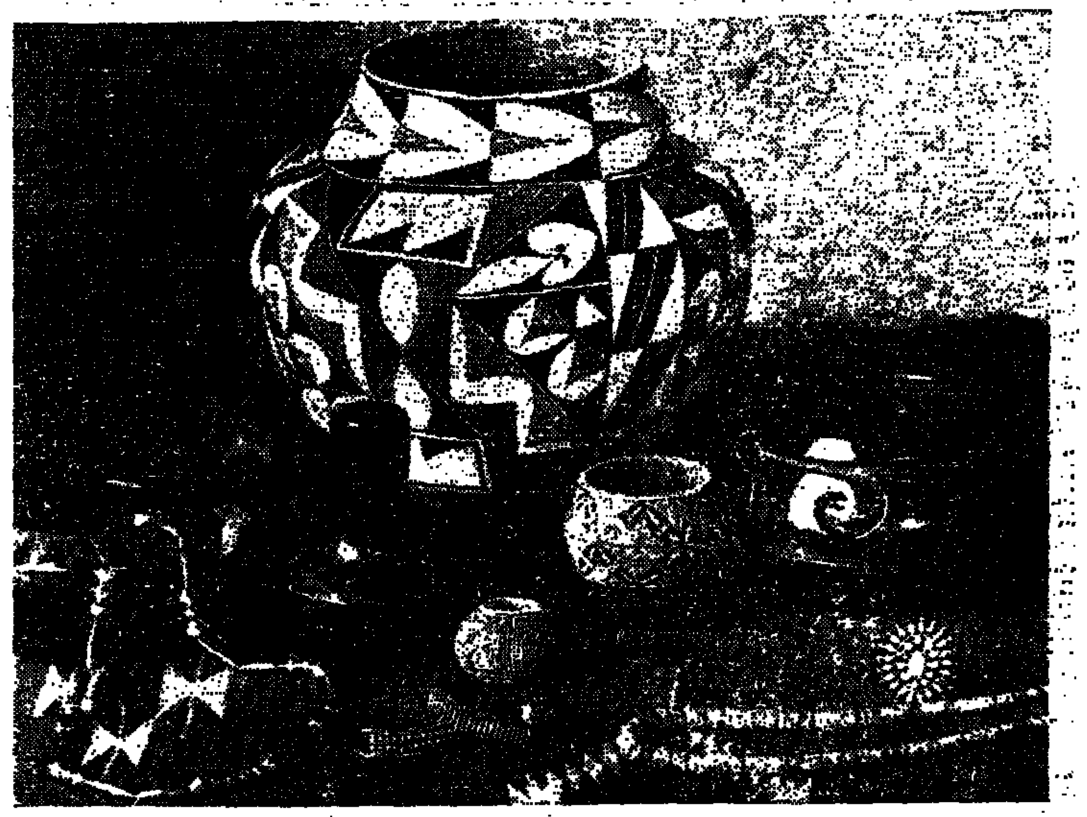
Raleigh have planned their latest bicycle with all this in mind. They feel that very often *the second family car is only* used for short journeys like visiting friends or doing the local shopping and that a bicycle, if properly designed, could well fit the bill.

The *Raleigh Shopper* has one particular new feature which Raleigh's research told them women wanted—and that is that the shopping basket is fixed rigidly to the front of the cycle and doesn't turn, as the old model did, when the *wheel* turns, thus giving the rider a much greater sense of security.

The basket (which is easily detachable) and the zip-topped holdall at the back, *between* them provide a great deal of storage space so that quite a heavy load can be carried.

I also like the fact that the *chain has a special wrap-around* guard which prevents oil from getting onto the clothes. The bike is fitted with three speed gears (dynohub lighting is an *optional extra*), a *kick-back* propstand and reflector pedals. There are just two colour finishes — blue with an ivory holdall or coffee and mink with a brown holdall.

The bicycle is in most good cycle dealers shops now and *though it is officially priced at* about £118 (including VAT) you should be able to find it cheaper if you shop around.



The Wild West comes to Westerham

It is not often that galleries specialising in very high quality work, whether new or old, British or foreign, can survive in country areas, where the passing trade is necessarily small and sales depend upon those in the know seeking them out. However, down in Westerham, Kent, a couple of Americans, with a passion for the best pottery of all sorts but in particular for the pottery of American Indians, have bravely opened just such a specialist shop.

Roy Flamm and Anthony Giancbetta have travelled extensively in New Mexico and Arizona, studying and collecting the pots they love and organising future supplies from the craftsmen whose work they most admire.

At Amerham (then name of the shop, derived from a contracted form of "Americans in Westerham") pride of place is given to the *black pottery, hand-coiled in the traditional* way. The largest pot in the picture was made by E. Chino of the Acoma Pueblo (the Benerard Leach of the Indian settlements, I gather). The coiled clay is polished and carved before firing and the jet-black finish which is a speciality of the Indian settlements of Santa Clara Pueblo and San Ildefonso Pueblo, is achieved in the firing.

Special pots, like the large one at the back of the picture, are not cheap—this particular one is about £500, but in the shop there is a whole range of Indian artefacts with prices starting as low as about £20.

There is Indian jewellery made from silver, set with turquoise stones, by the Zunis and the Navajos, some of which is spectacular.

For those who might be drawn to the shop *for its pottery there is also a collection f the* work of some British potters admired by the owners—people like Emmanuel Cooper, David Winkley, June Hamlyn and Elizabeth Duncombe.

Anybody genuinely interested either in pottery or in the original and distinguished American Indian craftwork would find a visit to the shop at 18, High Street, Westerham, well worth while.

While you were out

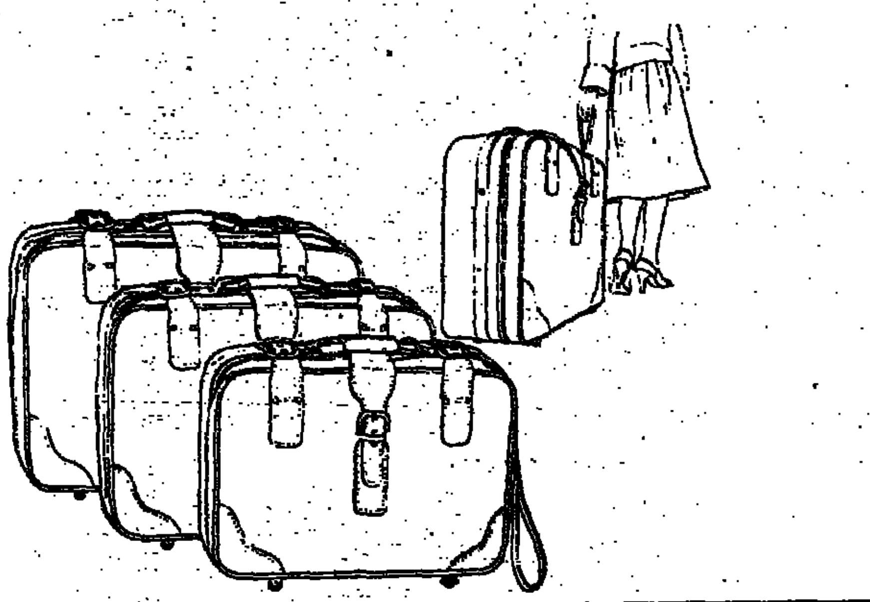
I'm not a fan of answering *machines mystelf (I tend to find* myself quite unable to speak into those anonymous recording machines) but there's no doubt that anybody running a small business on his own finds them invaluable. If you know anything at all about the subject you'll know that until very recently (April 1st to be precise) it wasn't possible to buy a machine—every system had to be rented, at prices that many users felt were both exorbitant and not very clearly spelled out.

Since April, however, a new day has dawned—you, too, may *buy your very own machine*, provided, of course, it passes all the rigorous tests conducted by the Post Office first.

All the systems that you could rent before April 1st have, of course, been given the essential approval and can now be bought but a newcomer to the scene, the Akafone, is the only machine to have been given Post Office approval since that date.

All British designed and made, it is small and neat and seems amazingly reasonable—it sells for about £198 (remember, that renting used to cost about *£150 a year if you opted for a* three-year contract) and for this *you can have all your messages* recorded on standard c90 cassettes, you can record two-way conversations, play back pre-recorded information and use it at a dictation machine.

If you're interested in finding out more about it contact AKA, Mael House, Armstrong Road, Manor Trading Estate, Benfleet, Essex SS7 4PW or the London office at 12, Flitcroft Street, London, WC2H 8DJ.



Well-wheeled

I've never been able to decide which is the best way to travel and am still debating the merits of separate pull-along trolleys, suitcases with inbuilt wheels and the sort of old-fashioned discipline which makes one pare one's belongings to fit into a suitcase one can carry without difficulty. For those who have sorted out these weighty matters and know that they like suitcases *with inbuilt wheels it is nice to* see that Woolworth, who have been doing a lot of updating of their image recently, have introduced a very reasonably priced collection of such suitcases.

There are three sizes, 31", 29" and 27" (besides a matching, wheel-less 25" case) and all are made from brown or medium tan bonded vinyl (another debate I haven't resolved—is it worth paying more for better luggage or is it best to treat it as relatively disposable, replacing cheap versions as and *when they give out?*).

As you can see from the sketch, the designs are sturdy-looking and each case has two zips, meeting at the top and a lockable clasp, as well as centre and side straps. *The cases are fitted* with rubber roller balls that are secured by metal pieces and there's a detachable strap for easy pulling along of the luggage.

Prices are very reasonable being £16.99 for the smallest size, £17.99 for *the middle size and £18.99 for* the largest, while the matching case without wheels is £14.49. The luggage is currently in most big Woolworth stores and branches of Woolco.

In Spring a young cook's fancy . . .

BY JULIE HAMILTON

ALL through the Spring I watch with childlike excitement the unfolding of my garden as nature brings the landscape to life. In particular, I long for the arrival of the *sweet, new* vegetables and herbs which mark the changing of the seasons and the promise of an end to the long winter *months*.

The dsire to create fills many of us at this time of year when extra energy is flowing through our veins. We may buy a new *dress, all fresh and pretty*, plant out excitingly uncommon *flowers, redecorate some part of* the house—or cook something a little different perhaps.

I have three spring creations to offer you, each one uses a young and tender ingredient from the garden. The first one is *Spring Onion and Stilton* Soufflé. When cooked, the stilton brings a delicate and lingering flavour to the dish. I find that the more mature and dry the cheese, the better the flavour.

SPRING ONION AND STILTON SOUFFLE—serves 2 to 4

1 oz butter; 1 generous tablespoon flour; ¼ pint milk; 10 spring onions finely chopped; 4 oz stilton grated; juice of ½ lemon; salt and freshly ground black pepper; 4 egg yolks; 6 egg whites.

Melt the butter and blend in the flour. Cook for a minute or two over a gentle heat. Bring the milk to boiling point and, stirring continuously, add it to the flour and butter. When blended and smooth, remove the pan from the heat, add the lemon juice and plenty of black pepper and salt. Stir. Add the egg yolks one at a time, *alternating with the cheese and* spring onions. Blend well together. Whip the egg whites until stiff and carefully fold them into the soufflé mixture, using a metal spoon.

Gently transfer the mixture to a well buttered soufflé dish. Place it in a baking pan of hot water on the middle shelf of the oven and cook for approxi*mately 30 minutes at gas mark* 5 (375F) until well risen and golden brown. Serve at once as starter for four or supper for two.

PORK CHOPS AND CHIVES—serves 4

4 pork chops; ¼ lb baby mushrooms; a fistful of chives; 1 teaspoon coriander; salt and lots of freshly ground black pepper; 1 full glass red wine; 1 oz butter

Place the pork chops in a *flat dish and pour the wine over* them. On top of each chop sprinkle salt, grind plenty of black pepper, scissor the chives and lightly crush the coriander. Cover the dish and leave in a warm place for one hour.

Scrape off the chives and *coriander into the wine*, melt the butter and fry the chops on both sides until brown. Add the baby mushrooms and the marinade, simmer gently until the *chops are cooked through*, approximately 15 to 20 minutes.

The marinade has now produced a delicious sauce. Serve at once with the mushrooms piled on top of the chops. Ideal accompaniments are new potatoes and a lettuce salad very *simply* dressed, as follows. Wash and dry the lettuce, place it in your salad bowl, sprinkle over it salt, a teaspoon of caster sugar, half teaspoon dill weed and a *little pepper. Pour over it the* juice of half a lemon and approximately two tablespoons of good quality olive oil and toss. Simple, fresh and delicious.

HAZELNUT AND RHUBARB PIE—serves 6 to 8

Rhubarb is *in abundance* now, still tender, juicy and unstringy. Many people do not favour this fruit. It does funny things to the teeth, or it really is too sharp for them, or it brings back memories of stringy rhubarb and lumpy custard at school. This recipe transforms *it into an altogether new taste*. If you are serving it to someone who has doubts about rhubarb, simply do not tell him what he is eating until he has *told you how devine it is!* It is as good hot as cold and keeps well for at least a week.

¼ lb young thin sticks of rhubarb; 4 oz whole hazel nuts; 6 oz soft margarine; 10 oz plain flour; 4 oz castor sugar; 1 teaspoon butter; pinch of salt

Grease a loose-bottomed 9-inch flan tin. Chop the rhubarb into half-inch lengths and put them in a bowl. Sprinkle over them 2 oz of the caster sugar. Fry the hazel nuts whole in the butter. When they are dark brown, lightly grind them and add them to the rhubarb, mixing well together. To make the pastry, place the soft margarine in a bowl, add 3 heaped tablespoons of the flour, 2 oz caster sugar and 3 tablespoons cold water. Mix these ingredients together *with a fork until they* are well creamed. Still using the fork, blend in the rest of the flour. Turn out onto a floured serface and knead lightly. Swen smooth, chill for at least 30 minutes.

Divide the pastry in two, one portion being slightly larger than the other. Roll out the larger portion and line the bottom and sides of the flan tin. Tip in the rhubarb and hazel nuts and spread evenly.

Cover wtih the remaining pastry. Brush the top with milk. Bake in the over at gas mark 6 (400F) until golden brown, then reduce the heat to gas mark 3 (325F) and cook for a further 15 minutes. The pie is best served when *warm rather* than hot and will reheat very well. Cream can be offered with it although it is not necessary.

ARTS

All Aboard

BY ANTHONY CURTIS

Radio's long-running nautical spectacular, *The British Seafarer* (Radio 4, Sundays at 10.15), si directed by Michael Mason who gave us *Plain Tales From the Raj*. Mr. Mason has taken on an even more immense and amorphous theme this time with the obvious danger that he will become submerged by it and the whole series sunk without trace. Happily after three episodes, with number four on *The Merchants* coming up tomorrow, that does not seem to have happened.

The broadcasting of the series coincides with the opening this week of a new permanent gallery at the National Maritime Museum. The Director of the Museum, Basil Greenhill is one of the advisers for the series and will be giving the commentary for tomorrow's programme; the other chief adviser is Robin Craig, lecturer in Economic History at University College, London. Last Sunday's programme on *The High Seas*, in mainly Elizabethan times, was presented by Kenneth Andrews, Reader in History at the University of Hull. Various books in connection with the series are in the pipeline from BBC Publications and hte Museum is *producing a leaflet-poster linking* their own exhibitions and displays with the broadcasts.

There will be 26 of these all-told, aiming to give "A history in . . . the words of those who have made the history." The first nine episodes will be broadcast consecutively after which there will be a pause in the proceedsing. In the Raj Mr. Mason *imposed a great sense of im*mediacy on the series by discovering there were a number of highly articulat survivors of the period whose memories he was able to record in their own speech. It was these extraordinary, unforgettable Anglo-Indian voices which were in part responsible for the great fascination of the series.

Mr. Mason has tried for a similar authenticity here. He has gone back to the mariners' own words rather than those of maritime historians or novelists. His original idea was to find ordinary people who came from the same place as the writer of the extract quoted, and to record these individuals reading the quotations, thus providing a genuine patchwork of regional accents. Unfortunately Equity stepped in and knocked this ingenious plan on the head. The extracts are now read by actors, people like David March, Timothy Bateson, Anthony Newlands, having fun pretending to be sailors; underlying their voices are sound-effects of crashing-breakers, Force Nine gales, anchor-chains clinking and sails billowing, provided by the radiophonic workshop. Intermittently these sea-noises are interrupted by music of the period. It is all good stuff which holds the attention without actually saying anything one did not know already. The appalling conditions suffered by Elizabethan sailors, which was the main point of last Sunday's programme, is hardly likely to have come as a great surprise to many listeners. Still, the sheer volume of evidence so colourfully assembled by the programme was impressive.

Jennifer Phillips, whose *A Very Nuclear Family* was this week's Monday Play (Radio 4 UK April 28), has had a tidy amount of work performed on radio. She took the risk of alienating her listening public in this rather gruesome drama of four frustrated people and one rabbit who gets poisoned half way through. Her heroine began the play on her honeymoon with a 'phone call to Mum and she ended it after a very short experience of the marital state in a psychiatric clinic after a temporary breakdown. She was told by awful mum that she suffered as a child from sleepwalking and appeared to have a recurrence of it one night bursting into a room where her mum was locked in an embrace with her own recently wedded husband. Unfortunately Jill, the sleepwalker, was wide awake, took in what was happening, and began to live her nightmare. Presumably the play was intended as more than just a cautionary tale of the dangers of going to stay with your folks while your own marital home is being done up. What about the rabbit? And the husband's novel? And the movie of the *wedding? And the young man's* painting? In other words, a great clashing of symbols, but not much to show for them in terms of original perception.

Liane Aukin, the producer, gave the play the full treatment with strong support from the cast of four. Rod Beacham and Prunella Scales were the ego-bound older couple whose *daughter* has become the area of hostilities between them. Glynis Brooks and James Warwick were the newly-weds whose marriage pulled the rickety structure of the family apart.

The Hothouse

BY B. A. YOUNG

Harold Pinter wrote *The Hothouse*, now at the Hampstead Theatre, in 1958. The previous year he wrote *The Room*, *The Dumb Waiter*, and *The Birthday Party*, and the following year *A Slight Ache* and *A Night Out* (for radio). *The Hothouse*, which has remained unproduced for nearly a quarter of a century, is in much the same vein as those other plays of that period, with the author's favourite basis of a mysterious menace outside a closed room strongly in evidence.

The closed room is the staff quarters of some kind of institution, where there are patients known only by numbers. The menace comes from the patients, though you don't know this until late in the proceedings and, indeed, if the author had chosen some other way, might have been given a different source, for coherence is not the strongest feature of the play. One thing follows another, but not for any particular reason.

The set, an effective design by Eileen Diss, shows us on one side the office of the institution's head, on the other the staff common-room, and high upstage a chamber used for psychiatric examination. The examination of Lamb, a new member of the staff, responsible for checking the locks on the patients' quarters, consists of the usual Pintersque sequence of irrelevancies, with its usual mystifying effect. Lamb is suspected of having been responsible for 6459's baby, but *this is not an essential factor*. The essential factors are only the staff on one side, the patients on the other, and the facts that 6457 is dead and 6459 is a mother. All else is decoration.

Much of it is attractive decoration. Roote, the head, throws a glass of whisky in the face of Lush, one of his staff. "Let me fill you up," says Lush politely, taking the glass and replenishing it. Pinter can get useful laubhs from this kind of illogical behaviour. On the other hand, passages like the contradictory descriptions which Lush and Gibbs (the second in command) give of Lamb are no more than Pinter's brand of automatic writing; he has used the system better in other plays.

The author's own direction is as impeccable as ever. The choice of sounds that represent the hidden threat—a breath, a soft howl, a laugh—is truly scaring, and th epattern of light and sound that imposes the patients' uprising on an empty stage is splendid. The acting, particularly of Derek Newark, James Grant, Robert East and *Angela Pleasence*, is *immaculate*.

I doubt if the play's resurrection has given us a great new theatrical experience. *The Hothouse* seems to me mostly doodling, even though it's doodling of high quality. It's interesting to note that, after the initial disaster of *The Birthday Party*, the author put a stiffer backbone into his next produced full-length play, *The Caretaker*. Perhaps this explains why *The Hothouse*, which came between those two, was left lying in its drawer. It's good to have seen it, especially in his fine authentic production, but I don't think I should hurry to seet it again.

Angela Pleasence

LPO/Rostropovich

For the second of his present Festival Hall series with the London Philharmonic, Rostropovich repeated the group of Strauss songs with Heather Harjer as soloist but changed his two symphonies. Haydn gave way to Schubert (No. 6 in C). Dvorak's No. 8 was succeeded by the same composer's earlier, much less familiar, No. 6 in D. The Sixth has for some time seemed to me to deserve to be placed with its minor-key successor as the finest of Dvorak's symphonies *qua* symphony, yet one can see why the large public that tenaciously and exclusively loves only a very few works by favourite composers prefer the Eighth and Ninth (the New World) for their memorable tunes.

Tunes for humming, that is, not for symphonic working. The Sixth has plenty of the latter—splendid ones in the first movement, a shy charmer for the Aadgio, a little Brahmsian theme for the finale. The rumbustious Furiant — scherzo makes its effect with bounding rhythm, the trio is interesting and ingenious without producing the clinching melody one expects. Rostropovich an eloquent case for the work especially in the outer movements but the Adagio partly eluded him—somehow simplicity and directness trickled away, and towards the end, where the score is marked "in tempo," he suddenly started to pull the time about.

This was strange after a performance of Echubert's Sixth delightful for all sorts of cunning simplicities, beautifully judged in weight and accent, blithe but not dainty, perfectly able to allow the finale's hints of greater things in C major to come to speak without incongruity. Heather Harper was in her most stylish and supple if not quite her most radiant voice, especially in two songs from op.68 from the world of *Ariadne*. "Zueignung" was given in an orchestration of Robert Heger's: the rest were Strauss's own, including the setting of Heine's Christmas poem about the Three Kings which makes imaginative play with soft, triadic fanfares.

RONALD CRICHTON

Unilever goes arty

The exhibition of paintings, furniture a nd porcelain from the Lady Leverhulme Gallery in Port Sunlight, currently on show at the Royal Academy, is proving a critical and popular success: a relief for the Academy, which is receiving £6,000 in much needed revenue as rent from Unilever, which is staging the show, and equally gratifying for the company.

For Unilever, although it is the 12th largest company in the world (and was in the top three before the oil price explosion), has never got involved in direct arts sponsorship in the past. It has been content to stay in the background while its subsidiary companies, such as Birds Eye, Walls, Batchelors, Lever Bros., etc., got on with the task of marketing hundreds of brands. But this is Unilever's Jubilee year, and to celebrate the fact it is coming out from behind its institutional curtain.

But in a modest way. The economic climate does not favour extravagance so apart from an updating of the company history and a conference on cell tissue culture—vital for the future protfiability of Unilever—the arts are proving the main beneficiary. The exhibition at the Academy is costing Unilever £55,000. This may not seem a vast sum but it is a significant break from the past for this discreet company which supports the arts in unobtrusive ways—by gifts to charities; by maintaining (until its recent transfer to the local authority) the art gallery in Port Sunlight with its magnificent collection of English, mainly 19th century paintings; by preserving Port Sunlight itself as an architectural gem.

And if Unilever's contribution to the arts has always flowed from its business interests, this can provide a kind of integrity, an integrity nicely displayed in the 14 sculptures by Nicholas Munroe which are currently being made to grace the top of Unilever House on the Embankment. At one time the company *was planning to quit* its Lord Leverhulme inspired headquarters, which is also 50 years old this year. Now it has decided on rennovation, conscious of the fact that it has one of the largest and finest office designs of the period. An extra floor is being added and the statues ten feet tall—of representative women of the 77 *countries* where Unilever operates—must be one of the few new commissions on this scale by business in recent years.

ANTONY THORNCROFT

Fortune's Fire

BY MAX LOPPERT

Fortune's Fire — Rosemary Hardy (soprano), Wynford Evans (tenor), Carl Shavitz (lute), Peter Vel (viola da gamba) —is an ensemble dedicated to hte performance of lute songs. Thursday's Wigmore Hall recital offered in its first half a happy selection of these; but the highlights came later, in the second London performance of Stephen Oliver's "melodrama" for four performers, *Il giardino*. It will come as no surprise to folowers *of so prolific and multi-talented* a young composer that the libretto is Mr. Oliver's own, though other hands translated it into Italian before he set it to music. (The first performance took place at the 1977 *Musica nel chiostro* Festival, Batignano.)

In this lightly staged performance (singers in casual clothes; chairs, a small table and coffee tray *as props*; a restrained amount of action), the piece wa srevealed as a small music-theatre *conte noir* of quite unusual interest. The ingredients of its plot are simple —a woman alone in her garden; a stranger who comes upon her; a conversation turning ever more extensively on the recent death of her husband. The ending is a surprise, and it is cleverly achieved.

Oliver has clothed his dramatic frame with point and address. The music is cast as a long dialogue moving with mastery ease between recitative, arioso, and sudden arches of cantilena in which one may hear suggested the warmth of Italian sunshine. The almost continuous instrumental accompaniment appears to subsume into its subtly flowing fabric the dance rhythms of Italian consort music. It seems that Monteverdi has been drawn upon; *Il giardino* evokes, with a wholly contemporary sensibility, the original dramatic purpose of the *recitar contando*. Past encounters with this composer both in the theatre and the concert hall, have left the feeling of wit, deftness, and sleight of hand not quite matched by musical content; so it is a positive pleasure to meet a work of his that needs, and promises to reward, a second or third hearing.

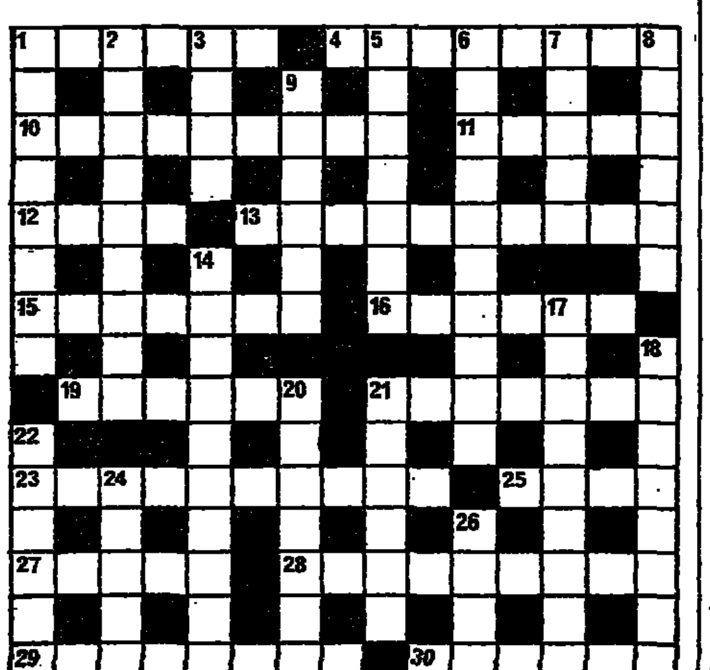
Miss Hardy and Mr. Evans sang and acted it most capably, in plausible if not entirely idiomatic Italian. Earlier, the pleasures of Dowland solos and duets by Robert Jones, Bartlett, Morley, and Ferabosco had been slightly dimmed by the soprano's not always forward delivery of words—in Dowland's "Sorrow stay," though the tone was clear and well-schooled, the surface was hardly ruffled, the passion of Dowland's outpouring only mildly outlined. Mr. Evans is a cultivated performer of this repertory; but from him —as, indeed, from his three companions — a greater emotional freedom therein would not come amiss.

F.T. CROSSWORD PUZZLE No. 4,266

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



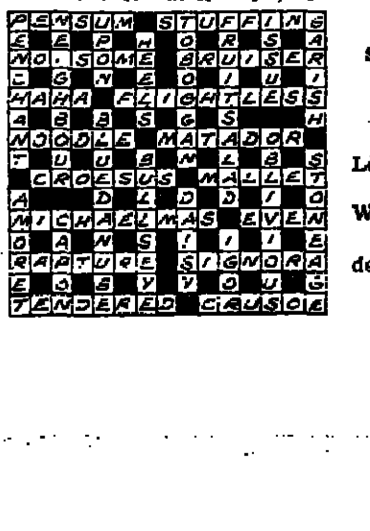
ACROSS

1 Extremely hard fish in enclosure (6)
4 Trader giving French sea song (8)
10 Bred by pets put back but it's wrong in March (3, 2, 4)
11 Animal sound of beast going to the south-east (5)
12 Stumble right inside dump (4)
13 Gas-igniter making flier land (5-5)
15 Leaving without notice and urging forward (7)
16 Large industrial organisation politician placed in Ireland (6)
19 Creator of boundaries must keep up his guard (6)
21 Tedium shown by communist in sudden increase of activity in business (7)
23 Incompletely prepared before stoppage or sort of break (10)
25 Gas everybody in lobby (4)
27 Select some erudite literature (5)
28 Provide with metallic coat a hybrid mule is in (9)
29 Said in return to the French to make a hearty movement (8)
30 Finish in attempt to be fashionable (6)

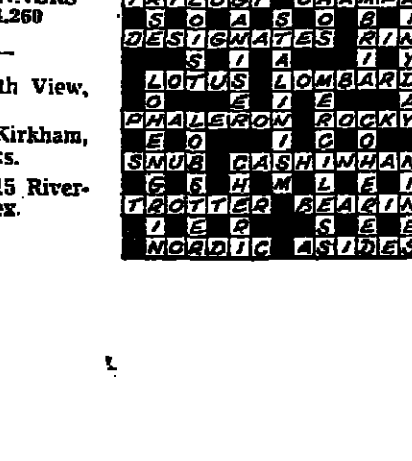
DOWN

1 Little time for deficiency (8)
2 Cite extra arrangement to see free (9)
3 Left frequently in upper room (4)
5 Go off and work laboriously in river (7)
6 Animal turned up to cut over a thoroughfare (10)
7 In the midst of unusual mango (5)
8 Agreement at three outside (6)
9 Way to telephone line (6)
14 Record on canvas in dissatisfaction (10)
17 Re-distributed aid in allowance that could be illuminating (9)
18 Get the odour of eastern railway in ironworks (8)
20 Sailor coming up to follow a sort of file (3-4)
21 Bet on mounted support (4, 2)
22 Concurred it could be silver part of oboe (6)
24 A bit of heather I called heath (5)
26 Late transport that is seen in railways (4)

Solution to Puzzle No. 4,265



SOLUTION AND WINNERS OF PUZZLE NO. 4,260



Mrs. Collett, 15 North View, London SW19.

Mr. H. S. Watt, Kirkham, Wiston, Selby, N. Yorks.

Mr. D. J. Weldon, 115 Riverdene Road, Ilford, Essex.

TV Radio

BBC 1

† Indicates programme in black and white

7.15-8.30 am Open University (ultra high frequency only). 9.05 The Banana Splits. †9.35 Champion, the Wonder Horse. *10.00 Feeling Great!* †10.10 Zorro. 10.35 Mickey Mouse Club. †10.55 "Pardon My Sarong," starring Abbott and Costello. 12.17 p.m. Weather.

12.20 Grandstand: Football Focus (12.30); Snooker (12.55) Embassy World Professional Championship; Cup Final City (1.15) Report from Hull; Racing from Haydock (1.25, 1.50, 2.20); Show Jumping from Hickstead (1.35); Rugby League (2.05, 2.40) The State Express Challenge Cup Final—Hull v Hull Kingston Rovers; 4.45 Final Score.
5.10 News.
5.20 Sport/Regional News.
5.25 Rolf on Saturday OK?
5.55 Wonder Woman.
6.40 Saturday Night at the Movies: "Fathom," starring Raquel Welch.
8.15 The Val Doonican Show.
9.00 Knots Landing.
9.50 News
10.00 Match of the Day.
11.00 Saturday Night at the Mill.
†11.50 Phil Silvers as Sergeant *Bilko*.

All Regions as BBC1 except as follows:

Cymru/Wales — 5.20-5.25 pm Sports News Wales. 12.15 am News and Weather for Wales.

Scotland — 10.00-11.00 pm Sportscene. 12.15 am News and Weather for Scotland.

Northern Ireland — 5.20-5.25 pm Northern Ireland News, 12.15 am News and Weather for Northern Ireland.

England—5.20-5.25 pm (*South West only*) Spotlight Sport.

BBC 2

7.40 am Open University.
2.45 pm Saturday Cinema: "The King's Thief," starring Ann Blyth and David Niven.
4.00 Grapevine.
4.30 Show Jumping from Hickstead.
5.00 Snooker.
7.00 Armchair Critics discuss three programmes.
7.30 News and Sport.
7.45 Rugy Special: The Middle-
7.45 Rugby Special: The Middlesex Sevens.
8.30 The Levin Interviews. (Robin Day).
9.00 Snooker highlights.
10.00 Music after Mao-Ashkenazy in China.
11.00 News on 2.
11.05 Snooker.
†12.05 am Midnight Movie: "Castle on the Hudson," starring John Garfield and Ann Sheridan.

LONDON

8.40 am Sesame Street. 9.40 Fangface. *10.05 Superman. 10.30 Tiswas.*

12.30 pm World of Sport: 12.35 On the Ball; 1.00 International Sports Special (Part 1) Motorcycle Jumping from Australia; 1.15 News; 1.20 The ITV Six—1.30, 2.00 and 2.35 from Kempton; 1.45, 2.20 and 3.00 from Newmarket; 3.15 International Sports Special (Part 2) Air Racing from Reno, Nevada, plus Surfing from Hawaii; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 The Masterspy.
6.00 Russ Abbot's Madhouse.
6.30 Chips.
7.30 Mixed Blessings.
8.00 Stars in Action: "Murder in Peyton Place" (TV Movie).
9.45 Tales of the Unexpected.
10.15 News.
10.30 Charles Endell Esquire.
11.30 Pro-Celebrity Darts.
12.00 The Practice.
12.30 am Close: Personal choice with Bernard Hepton.

All IBA Regions as London except at the following times:

ANGLIA

9.40 am Tarzan. 6.00 pm Sale of the Century. 6.30 A Man Called Sloane. 7.30 Russ Abbot's Madhouse. 8.00 Love Thy Neighbour. 8.30 TV Movie: "Future Cop" starring Ernest Borgnine. 11.30 Soap. 12.00 Superstar Profile. 12.30 am At The End Of The Day.

ATV

9.10 am Crisis?—The Energy Question. 9.35 Learn To Sing. 10.00 Solo One. 6.30 pm B J And The Bear. 8.00 Saturday Cinema: "This Savage Land." 11.30 Lifeline.

BORDER

9.10 am Crisis? The Energy Question. 9.35 Learn To Sing. 10.00 Untamed World. 6.30 pm B J And The Bear. 8.00 Saturday Night At The Movies "The Last Day Of The War" starring George Maharis. 11.30 Pro-Celebrity Darts.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 6.30 B.J. and the Bear. 8.00 T.V. Movie: "River of Mystery." 10.30 A Better Road. 11.00 Pro-celbrity Snooker. 11.45 The Electric Theatre Show.

GRAMPIAN

9.05 am The Beachcombers. 9.30 Sesame Street. 6.30 pm The Incredible Hulk. 8.00 Saturday Action Film: "Superdome," starring David Janssen. 11.30 Seachd Laithean. 11.45 The Odd Couple. 12.15 am Reflections.

GRANADA

9.30 am Crisis. 9.55 Larry the Lamb. 10.05 Funky Phantom. 6.30 pm The Incredible Hulk. *8.00 Saturday Night at the Movies*. "Superdome." 11.30 Darts World Knockout Cup. 12.05 am For Adults Only: "Happy Birthday Wanda June."

HTV

9.14 am Learn to Sing. 9.40 Getting On. 10.05 Fangface. 8.00 pm The Saturday Movie: "This Savage Land." 11.30 The Electric Theatre Show. 12.00 The Entertainors.

HTV CYMRU/WALES—As HTV West/HTV General Service expect: 5.15 pm Cartoontime. 5.30-6.00 Sion a Sian.

SCOTTISH

9.10 am Crisis: The Energy Question. 9.35 Build Your Own Boat. 10.05 Makin' It. 6.30 pm A Man Called Sloane. 8.00 Feature Film: "Deadlock." 11.30 Late Call. 11.35 Soap. 12.05 am Fully Licensed For Singing And Dancing.

SOUTHERN

SOUTHERN — — — — — —

8.45 am Learn to Sing. 9.10 Sesame Street. 10.00 Fangface. 10.27 Regional Weather Forecast. 6.30 pm Charlie's Angels. 8.00 "This Savage Land," starring George C Scott. 10.30 Southern News. 10.35 The Barry Westwood Talkabout. 11.35 Police Surgeon.

TYNE TEES

9.00 am Three for the Road. 9.50 Wheelie and the Chopper Bunch. 10.15 The Saturday Movie—"Abbott and Costello Meet Frankenstein." 12.00 The Jetsons. 6.30 pm A Man Called Sloane. 8.00 Saturday Shoot Out—"Stranger on the Run," starring Henry Fonda. 11.30 Tropic. 12.00 Jazz Night: The Muddy Waters Blues Band. 12.30 *am Epilogue*.

ULSTER

9.30 am Crisis—The Energy Question. 9.55 Larry The Lamb. 10.05 Spiderman. 10.30 Sesame Street. 11.30 Salvage One. 5.00 pm Sports Results. 6.30 Charlie's Angels. 8.00 Saturday Cinema: "The 39 Steps," starring Kenneth More. 10.29 Ulster Weather. 11.30 *Barney Miller*.

WESTWARD

9.30 am The Lost Islands. 9.55 Look and See. 10.00 Rocket Robin Hood. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Sports Results. 6.30 B J and the Bear. 8.00 TV Movie: "River of Mystery." 10.30 Saturday Night in the West. 11.00 Pro-Celebrity Snooker. 11.45 The Electric Theatre Show. 12.10 am Faith for Life. 12.15 West Country Weather and shipping forecast.

YORKSHIRE

9.00 am Rocket Robin Hood. 9.15 Beachcombers. 9.40 Lucan. 6.30 pm A Man Called Sloane. 8.00 The Big Film "Superdome." 11.30 Vegas.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 A King In New York (S). 4.00 Rock on Saturday (S). 7.30-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.07 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Punch Line. 1.30 Sport On 2: Football Special (1.30, 2.00, 2.30, 2.50, 3.15, 3.45, 3.55, 4.42, 5.00, 5.45); Rugby League (1.30, 2.10, 2.35, 3.20, 3.40, 4.50, 5.25) State Express Challenge Cup Final; Racing from Newmarket (1.30, 2.55, 3.30); Cricket (1.30, 2.15, 3.30, 4.55, 5.50) Schweppes County Championship; Tennis (1.30, 2.20, 5.35) World Championship; Sports Report (5.00). 6.03 Europe '80. 7.02 Three In A Row. 7.30 Sports Desk. 7.33 Big Band Special (S). 8.02 Terry Wogan's Music Night (S). 10.02 Tribute to Cicely Courtneidge (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S) including 12.00 News and 12.05 Sports Desk. 2.02-6.00 *You And The Night And The Music* (S).

RADIO 3

†7.55 am. Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Works of J S Bach (S). 7.10 Loner story by Elizabeth Berridge. 7.30 BBC Symphony Orchestra concert, part 1: Weber, Mozart (S). 8.00 A Musical Ramble (S). 8.30 Concert part 2: Brahms (S). 9.25 Elmet by Ted Hughes (reading). 9.55 Now And Then (S). 11.00-11.15 News.

VHF only—6.00-6.00 am Open University.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather: programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather: programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Yesterday In Parliament. 9.00 *News. 9.05 Breakaway.* 9.50 *News Stand*. 10.05 The Week In Westminster. 10.30 Daily Service. 10.45 Pick Of The Week (S). 11.35 International Assignment. 12.00 News. 12.02 Money Box. 12.27 Conversation piece: Bill Shankly. 12.55 Weather: programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 Wildlife. 2.30 Little Dorrit by Charles Dickens. 3.25 Join Radio 3. 5.00 You Are What You Eat. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather: programme news. 6.00 News. 6.15 Desert Island Discs *with Lindsay Anderson*. 6.55 Stop The Week With Robert Robinson. 7.35 The Making of M*A*S*H (Report from Hollywood). 8.00 The Shaw Festival. "Major Barbara" (S). 9.58 Weather. 10.00 News. 10.15 Kaleidoscope. 11.00 Lighten Our Darkness. 11.15 The Countryside In Spring. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 10.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM Des Fahy. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Gert Mala. 8.00 Our Kind Of Town. 9.00 The London Interview. 10.00 Nightline. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown (S). 12.00 Kenny Everett (S). 3.00 pm *Afternoon Delight* (S). 5.00 Soul Spectrum (S). 8.00 Roots Rockers (S). 9.00 Nicky Horne's "Six of the Best" (S). 12.00 Mike Allen's After Midnight (S). 4.00 am The Collection Classical Music (S).

TV RATINGS w/e April 24

UK TOP TWENTY (viewers m)

1	Coronation St. (Wed.) (Gran.)	16.25
2	This Is Your Life (Thms.)	15.50
3	Wicker's World (Yorks.)	14.70
4	Crossroads (Wed.) (ATV)	14.60
5	Coronation St. (Mon.) (Gran.)	14.55
6	News at Ten (Wed.) (ITN)	13.50
7	Knots Landing (BBC)	13.30
8	Play Your Cards Right (LWT)	12.70
9	Crossroads (Tues.) (ATV)	12.60
10	Young at Heart (ATV)	12.50
11	The Val Doonican Music Show (BBC)	12.30
12	Emmerdale Farm (Tues.) (Yorks.)	12.20
13	Shelley (Thms.)	11.95
14	TV Eye (Thms.)	11.90
14	The Nesbitts Are Coming (Yorks.)	11.90
16	The Gentle Touch (LWT)	11.75
17	The Cannon and Ball Show (LWT)	11.70
18	Family Fortunes (ATV)	11.65
19	Wonder Woman (BBC)	11.20
20	Emmerdale Farm (Thur.) (Yorks.)	11.05

Source: JICTAR.

CHESS SOLUTIONS

Solution to Position No. 318

1...K-R3! followed by K-R4-5, 6xP and Q-B6-Q6 ch. If White stops this by K-N1, then Black has Q-B8 and N-Q6-N7.

Solution to Problem No. 318

Black must have made two pawn captures to get four pawns on two files, but White has lost only one man. Whichever white piece is spewed out by the volcano to make a legal position, White has mate in one.

COLLECTING

Lost Russian empire

BY JANET MARSH

NO ERA of modern history seems so irretrievably remote from us now as Russia before the Revolution. Chekov himself seems close enough in his modernity, but the world of which he wrote, which was also the world that Dostoievsky and Tolstoy and Nicholas II inhabited, is exotic almost beyond comprehension.

It seems so impossibly distant that it is a surprise to find so much so vividly captured as in the photographs collected by Chloe Obolensky in *The Russian Empire: A Portrait in Photographs* (published by Jonathan Cape at the remarkably low price, for so luxurious a production, of £9.95). Here, *caught by nineteenth century* cameramen (it is the outstanding fault of the book that most of them remain anonymous) are the waxwork spendours of the Imperial court; the eternal tea parties around the samovar in colonnaded country mansions; the hunting parties which were almost the only entertainment for a remote rural gentry; peasants in great, strapped felt boots, photographed at feasts, at weddings, at work or at the great fair of Nizhny-Novgorod.

The perceptive photographers sometimes captured other aspects of this vast and rickety empire in its later days: the new class of industrial workers, crowded into awful tenements in Moscow or the mushrooming *new industrial towns*, or herded into factory dormitories: political exiles pushed into fertile communal idleness in Siberia. The forcing grounds of revolution were in the making lang before 1917.

The late Max Hayward, in a masterly introduction to the 477 photographs Chloe Obolensky has collected from public and private collections all over the world, brilliantly summarises *the making of the Russian Empire* and with its the Russian psyche. Generations of conquest and annexation built a vast heteregenous empire that stretched from Poland to the Orient, from the Arctic Ocean to the Black Sea. This unwieldly mass, with its innumerable nationalities and ethnic groups, was flimsiliy held together only by a rigid heirarchial system—an autocracy, a strong military class, a huge, inadequate and oppressive bureaucracy.

The shock of Peter the Great's brutal "Europeanisation" of Russian in the early 18th century, in Mr. Hayward's words, "created traumas and cultural ambiguities which could not *easily be absorbed or resolved* by following generations." At the same time, he felt, "the profound disturbance in the national psyche, . . . was perhaps not unfruitful: it certainly contributed to the peculiar moral climate in which the hypersensitive mind of a Gogol or a Dostoievsky constantly received the kind of impressions that make their work so alive to the dilemmas and paradoxes of human existence in general." The combination of Mr. Hayward's text and Ms. Obolensky's rich and rare selection of pictures (they are arranged to offer a "tour" from West to East, and at the same time from the 1850s to the First World War) afford a unique impression of an age and its premonitions.

There are witnesses of the Old World *too* in Sotheby's sale of pre-Revolutionary Russian painting on May 13. (The sale was originally announced for May 14, but has been brought forward on account of the threat of a transport strike.) This is, in fact the first such sale that Sothebys' have ever held. The work of Russian artists is rare in the West. In Imperial days the traffic in ideas and works of art tended to be one-way, and modern pictures did not figure greatly in the considerable export of works of art in the early years after the revolution.

The paintings in the sale have been brought from far afield—the vendors include Germans, Americans, French, Scandinavians and "a member of the Russian Imperial Family"—and if few of them are of exceptional importance or spectacular commercial value, the selection provides a comprehensive *story* of Russian painting in the 19th and early 20th century.

The Romantic movement in Russia, culminating with one of the nation's periodic moods of xenophobia (not surprising perhaps after the Napoleonic experience) took the form of an intense nationalist feeling and the revival of interest in the national history and national culture, after more than a century of slavery to foreign influence.

Ironically one of the great figures of the period, Karl *Briulov (1799-1852) was himself* a foreigner. Briulov, who became Professor of Fine Arts at the St. Petersburg Academy, is represented by four works in the sale, including his superb watercolour portrait of Chikhachev, a celebrated geologist and geographer, dating from 1835 but strikingly modern in style and feeling.

One of Briulovs first students at the Academy was Pavel Fedotov, a formerly self-taught artist, who began attending classes in 1835 after leaving the army, and became Russia's first specialist in genre paintings. (He is represented in the Sotheby collection by a fine *study* of a seated hussar). Realistic and often satirical documentation of Fedotov's kind was not popular with the Czarist authorities, however, and restraints on his work and financial difficulties contributed to hte mental breakdown and years in an asylum, before his early death in 1852.

Didacticism and social purpose have always moved Russian artists. In the disillusion of eht period following the Crimean war, Russian painters felt a strong sense of social purpose and an urge to take art to the people. In 1863 a group of students at the Academy refused to paint the competition project ("The Banquet of the Gods at Valhalla."). Out of this step grew the Society of Travelling Art, popularly known as the Wanderers.

Five drawings in the sale are by Iliya Repin, the greatest figure in the group, whose great moral paintings "The Volga Boatmen and "They Did Not Expect Him" (showing the return home of a political exile) were powerful political state*ments.*

Repin became Director of the Academy of Arts in 1898, the same year that Diaghilev and *Benois founded their magazine The World of Art* and declared their opposition to exclusive nationalism and the moral spirit of the Wanderers. The new movement rallied to the call of "art for arts sake" and sought cosmopolitan connections and influence. Later paintings in the sale represent the World o fArt group—Benois, Serov, Levitan and the marvellous Roerich—and successors like *Michael Larionov*, who look forward to the art of the new, revolutionary era.

CHESS

LEONARD BARDEN

EXPECTATIONS that the Phillips and *Drew Kings*, which ended last week at County Hall, London, would demonstrate Britain's growing strength in *international* chess were *more* than fulfilled. The tournament proved a landmark both in playing results, with two home *players* in the top five in a world calibre entry, and in excellent organisation which enabled thousands of visitors to watch and enjoy the event.

Final results were: Miles (England), Korchnoi (Switzerland) and Andersson (Sweden) 8½ out of 13; Sosonko (Holland) and Speelman (England) 7½; Gheorghiu (Romania), Ljubojevic (Yugoslavia) and Timman (Holland) 7; Sax (Hungary) 6½; Browne (U.S.), Larsen (Denmark) and Stean (England) 5½; Nunn (England 4½; Short (England) 2.

In sharing the £3,000 first prize, Tony Miles achieved the finest English result this century. His recent performances, *inculding* Buenos Aires, the European championship, and Lone Pine, show he is now the equal of the best established native West European grandmasters. At age 25, he has chances to overhaul Korchnoi as chief rival to Karpov. At least two of his wins in the Phillips and Drew will find a place in future anthologies and he has broadened and deepened his opening repertoire which used to be a weakness.

Jonathan Speelman tied for fourth prize and reached the grandmaster norm. He still has to score one or two further norms but at 23 he too has time on his side.

Bulletins with all 91 games are available at £3.25 from BCF, 4, The Close, Norwich. Among several which will endure in chess literature are these two *Miles victories.*

White: Gheorghiu. Black: Miles.
Opening: Queen's Indian Defence.

1 P-Q4,N-KB3; 2 P-QB4,P-K3; 3 N-KB3,P-QN3; 4 N-B3,B-N5; 5 B-N5,P-KR3; 6 B-R4,P-KN4; 7 B-N3,N-K5; 8 Q-B2,B-N2; 9 P-K3,BxN ch; 10 PxB,NxB.

Improving on P-Q3 followed by P-KB4 played in some earlier games, which allows White to break through in the centre by P-Q5 followed by P-KB4.

11 RPxN,N-B3; 12 R—QN1? (better N-Q2-N3 followed by P-QR4-5), Q-K2; 13 P-B5,P-KR4; 14 B-K2 (14 P-N4,0-0-0; 15 PxRP, P-N5; 16 N-Q2,P-B4 also favours Black), N-R4; 15 N-Q2,BxP; 16 RxRP,0-0-0; 17 PxP,RPxP; 18 RxR,RxR; *19* B-B3,BxB; 20 NxB,Q-B3; 21 K-K2,N-B5 (Black is clearly better, with light square control and a king to attack); 22 Q-R4,P-Q4; 23 NxP,K-N2! (not QxN; 24 Q-R8 ch. Now Black wins by force); 24 N-B3,Q-B4; 25 R-QB1, Q-N5; 26 Q-Q1,R-R4; 27 K-B1, R-R8, ch; 28 N-N1,NxP ch! 29 PxN,QxNP; 30 K-K2,R-R7 ch; 31 Resigns (31 K-Q3,Q-N3 ch mates).

White: Miles. Black: Larsen.
Opening: Old Indian Defence.

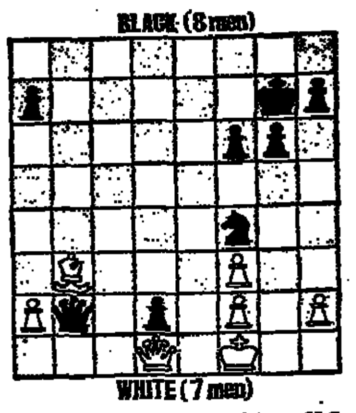
1 P-Q4,N-KB3; 2 P-QB4,P-Q3; 3 N-QB3,P-K4; 4 N-B3,QN-Q2; 5 P-K4,B-K2; 6 B-K2,P-B3; 7 0-0,P-QR3?

This experimental queen's *side action with delayed castling* loses time; normal is 0-0 followed by R-K1 and B-B1.

8 N-KR4,P-KN3; 9 B-R6,Q-N3; 10 N-B3,N-N5(QxNP; 11 N-QR4 is too risky); 11 B-B1,0-0; 12 P-KR3,KN-B3; 13 P-B5! (forcing open the centre for *White's developed pieces*), Q-B2; 14 BPxP,QxP; 15 B-K3,R-K1; 16 Q-B2,PxP; 17 BxQP,P-B4; 18 B-K3,Q-B2; 19 QR-Q1,P-N3; 20 Q-Q2,B-N2; 21 B-KB4,Q-B3; 22 P-K5,N-R4; 23 B-B4,N-B1; 24 B-KN5!(exchange of bishops makes the dark square attack decisive), QR-Q1; 25 N-Q5,BxB; 26 QxB,K-N2; 27 N-B4,NxN; 28 QxN,R-Q2; 29 R-Q6! Q-B2; 30 Q-B6 ch,K-N1; 31 N-N5, R2-K2; 32 P-K6,PxP; 33 NxP, Resigns.

POSITION No. 318

BLACK (8 men)

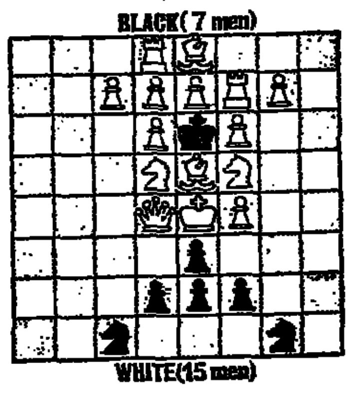


WHITE (7 men)

Burton v. Gheorghiu, U.S. Open 1979. Gheorghiu, the Romanian grandmaster, is a pawn up as Black (to move), but White has everything guarded. What should Black play, and how should the game go?

PROBLEM No. 318

BLACK (7 men)



WHITE (15 men)

White moves and mates at once (*by R. Steinweg, pre-1910*). Finding the right solution will explain both the unorthodox stipulation and the problem's nickname of "The Volcano Puzzle."

Solutions Page 12

BRIDGE

E. P. C. COTTER

Reaching For The Top

My two hands today come from a recent session of rubber bridge. Here is the first:

```
            N
        ♠ A J 10 7 5
        ♡ 10 9 7
        ◇ Q J 3
        ♣ A 2
   W                  E
♠ K 8 4 2         ♠ Q 9 3
♡ 3               ♡ A 8 2
◇ 8 7 2           ◇ A K 6
♣ K 10 8 6 3      ♣ J 9 5 4
            S
        ♠ 6
        ♡ K Q J 6 5 4
        ◇ 10 9 5 4
        ♣ Q 7
```

At a love score my partner in the North seat dealt and opened the bidding with one spade, to which I replied with two hearts. North rebind two spades, and I tried again with three hearts, which North raised to four. As West led the diamond eight, my partner put down her hand saying, "I'm not very happy about this"—*and nor was I.* Apart from the fact that I had four obvious losers, it looked as if West had led a doubleton, which meant that I would lose a ruff as well.

East made Ace and King, and returned a third diamond, mercifully West followed, and the *Queen won.* Now if trumps broke 2-2, I would make 10 tricks. I led dummy's seven of hearts and played my King, which, held. To create some kind of smoke screen—such plays cost nothing—I crossed to the spade Ace, and led the 10 of hearts. East played low—*don't ask me why—and* West showed out. Of course, if East takes his Ace and leads another heart, the contract is doomed.

As it was, I played a club to dummy's Ace, came to hand with a spade ruff, and led my 10 of diamonds, discarding the two of clubs from the table. Now, whether East ruffed or discarded, I could not be prevented from ruffing my losing club with dummy's remaining trump.

There are many occasions when it is correct to withhold the trump Ace in defence, but this was not the right time.

The second hand which occurred later had a less satisfactory outcome:

```
            N
        ♠ 6 4
        ♡ 10 9 8 6 4
        ◇ J 9
        ♣ A 9 8 3
   W                  E
♠ Q J 7           ♠ 9 8 5 3
♡ 7 2             ♡ K 5
◇ Q 10 8 7 6 3    ◇ K J 4 3
♣ 10 4            ♣ 7 6 2
            S
        ♠ A K 10 2
        ♡ A Q J 3
        ◇ A
        ♣ K Q J 5
```

With both sides vulnerable South began with two clubs, to which I replied with two diamonds. My partner now rebid three no trumps, which is not to be recommended. Probably two hearts is best—and three clubs is possible to see *if* I can show a major suit.

I was not sure what to bid at this stage. Let me put you in the picture—there was a grand slam vulnerable kitty at stake!—and I felt that four hearts was not sufficiently encouraging. To show that I had *some strength* I bid four no trumps. This was misguided—four hearts was the right shot, my partner would raise to six, and I would chance seven hearts, a contract which makes because the heart King is favourably placed.

Over my four no trumps South went seven no trumps. West led the diamond seven to the nine, King and Ace. Cashing King, Queen of Clubs, South overtook her Knave with the Ace on the table, and led the heart 10. East covered with the King, and prospects were brighter—there were now 12 tricks. *Declarer cashed* all the hearts, then led a spade, finessing the 10 and went down.

If East had started life with Queen and Knave of spades, this line would have succeeded—South has a club entry back to dummy if East plays an honour. But West had both spade honours, and if South cashes the last club on the table, West is caught in a spade-diamond squeeze.

And that would have been an undeserved reward for poor bidding.

Entertainment Guide

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Saturday May 3 1980

Not as bad as all that

WHILE NEITHER the country nor the markets have put on much of a celebration of the Government's first year in office, Ministers may well feel that for the moment, things could be a great deal worse. The local election results, while they showed a predictable swing to Labour from the sweeping Conservative gains three years ago, were a long way from a landslide. The gilts market appears to be reflecting a growing conviction that the Government has won the first serious round in its struggle to contain monetary growth, and the real economy has so far withstood its monetary battering better than many forecasts suggested.

A glance at the possible future, however, is forbidding enough to rule out any complacency, even on the most favourable assumptions about the ultimate resolution of the Middle East crisis. It now seems clear that the U.S. economy has started a major downturn, with forbidding implications for world trade. Meanwhile the Government's longer-term strategy, unveiled in the Budget, is coming under steadily increasing criticism. Industry has for some time been worried about high interest rates, an uncomfortably high exchange rate, and more recently and vocally about high wage awards in the public and private services, and the sharp rise in local rates. Yesterday some of the Government's senior supporters in the House of Commons joined in, when the Treasury and Civil Service Committee produced its report on the budget and the Government's expenditure plans.

Consequences

The Committee's individual pointse are not new, but they addeup to a decidedly taxing cross-examination. Briefly, the Committee accuses the Government of giving totally inadequate information about the economic assumptions on which its plans are based, and about the probable consequences of the policies adopted; indeed, it suspects that the Government is to a considerable extent flying blind itself.

The Committee's own advisers have suggested that the projections of 1 per cent real growth after this year, described officially as cautiously conservative, are in fact too optimistic, and that unemployment will be much higher than the Government has assumed, rising to 2¼m. This will depress revenue and raise spending, thus upsetting the intended financial balance. The spending plans are seen as vague, partly unrealistic, and presented in a way which makes it impossible to assess their economic significance; and even if the real targets were attained, public sector costs would be inflated by recent pay settlements.

Finally, the Committee accuses the Government of paying too little attention to the burden its policies are likely to impose on private sector companies, which will be squeezed as the Government corrects its own financial balance. Though initially less disruptive than the 1974 financing crisis, this squeze is seen as much more prolonged.

Ill-defined

These are formidable reservations, and we must endorse a considerable number of them. We have been highly critical of the level of pay settlements in the public sector. It is only too possible that Ministers themselves have been misled by a system of public accounting which treats cuts in public pay or employment, cuts in the investment of publicly-owned industries, rises in prices or local rates, and devices to reduce the cost of servicing the national debt all under the same heading of "spending cuts." The policies are indeed ill-defined and sometimes counter-productive.

However, some of the doubts seem overdone. The strategy of cutting public borrowing is not, as the committee implies, just a prospective burden for the corporate sector, let alone for the non-oil industrial sector. It should have a major effect on the balance of payments. Furthermore, since much of the reduction in public sector borrowing is due to the rise in oil revenues, there is no corresponding burden on the non-oil economy; and as reduced public borrowing helps interest rates to fall, bank profits should fall from their present bloated level, to the benefit of the rest of the private sector.

We would, therefore, stand by our initial judgment that the publication of long-term targets is helpful, and that the targets themselves are appropriate; and would add that, as the committee itself concedes, the very conservative assumptions about oil revenue should make the targets attainable, even if the other policies aimed to achieve them are questionable.

Turmoil

The most obvious threat to the Government's hopes is international. The credit crunch in the U.S. has produced not only well-publicised turmoil among some financial operators, but a very sharp rise in unemployment, and the leading indicators are forbidding. With a world trade recession, real growth may indeed be difficult to attain as quickly as the Government has hoped. On the other hand, the impact on U.S. inflation and world interest rates can only help the Government to attain its priority aims of lower inflation adn lower interest rates, as the markets are already signalling.

The Unbanked British—a failure of the clearers

BY MICHAEL LAFFERTY, Banking Correspondent

SOMETHING IS seriously wrong with Britain's retail banking system. It is class-based, diverse, and sleepy. It is dominated by a handful of institutions known as the clearing banks whose profitability is the envy of commercial banks all over the world, yet its UK management is wholly in-bred and often less than sparkling. It is a system badly in need of a shake-up.

How else does one explain the phenomenon which has come to be known as The Great British Unbanked? Why is it that Britain, virtually uniquely among the main developed nations of the world, has an adult population where only between 50 and 60 per cent of people are "banked" in the sense of having bank current accounts?

This is, admittedly, an area where the available statistics are less than satisfactory. In today's letters column Mr. John Hunsworth, director of the clearers' own Banking Information Service puts the best interpretation he possibly can on the data available by adding together all types of personal accounts with the banks, the building societies, and even the Post Office. But bankers themselves do not define the banked population in that way.

Most retail bank researchers define the banked population in trems of those people with current or cheque accounts. The Inter Bank Research organisation has calculated that in 1976 only 54 per cent of the adult population in England and Wales — and the percentage is probably lower for the UK as a whole — had a current account with a bank. This includes the clearers, the TSB's, the Co-operative Bank, and the Government's Girobank.

IBRO's analysis of the banked population by socio-ecenomic group is particularly revealing. While managers and the self-employed are more than 80 per cent banked, only 29 per cent of the main group of manual workers have cheque accounts.

In sharp contrast with the British position, the populations of countries such as Germany, France, the Netherlands, Canada and the United States are more than 90 per cent banked.

The clearers, as Mr. Hunsworth's letter suggests, like to lay the blame for Britain's poor performance at the door of the weekly wage payment system. There is certainly a strong connection here, because almost 80 per cent of Britain manual workers are still paid weekly and in cash. The Truck Acts, which entitle workers to be paid in cash, are an important historical factor in preserving this position.

The conection appears to be borne out by the experience of European countries such as France and the Netherlands, where the abolition of weekly wages and the transformation of the whole population into a banked community have gone hand in hand. In both of these countries, incidentally, the movement towards full banking took place largely in the decade between 1965 and 1975. In France, the initiative came from the Government as part of a package of measures to reduce divisions in society after the events of 1968, but in the Netherlands the move came about mainly through the initiative of the banks and the employers.

This suggests that government involvement, though helpful, is not necessarily essential in bringing the banking habit to the whole of a country's population.

So why have the clearers not been motivated to go after the British workers? Could it be that life has been far too comfortable up to now for the banks to bother? Evidence to support such a view can be found in the wonderful endowment which British bank customers insist on passing on to their banks every year in the form of substantial interest-free balances on current

The clearing banks' management is in-bred and often less than sparkling.

accounts. This endowment which becomes very significant in periods of high interest rates, was largely the reason why the clearers' UK profits increased by between 70 and 90 per cent last year. The banks were passive agents—and no doubt delighted beneficiaries—of government policy. They did nothing extra to earn these profits beyond possibly encouraging customers to go on leaving balances on current account.

The point is not lost on foreign bankers. At a recent retail banking conference in

PERCENTAGE OF ACCOUNT HOLDERS BY SOCIO-ECONOMIC CLASS

Class	Trustee Savings Banks	Clearing bank current accounts	Bank deposits	Building societies	Post Office Savings
AB	7	23	19	20	15
C1	21	33	28	31	25
C2	38	28	31	29	32
DE	34	16	22	20	28
Total	100	100	100	100	100

Source: TSB

Monte Carlo, a senior German retail banker said he knew of few other countries where the spread between the cost and selling price of banks' money was so great as in the UK. Spain, where banking had not been particularly competitive in recent decades, was the only similar case he could think of.

The clearing banks argue that it would be unprofitable for them to go after people who are paid weekly. Instead, they seem to regard a mass change-over to monthly wage payment as an essential pre-requisite to encouraging the banking habit to ordinary British workers. Does this make sense?

The experience of Boston Trust and Savings, the UK moneyshop subsidiary of the First National Bank of Boston, points to the contrary. Boston Trust one of a growing number of U.S. banking institutions interested in the UK market—has defined its target market as people in socio?economic group C2—skilled and semi-skilled blue collar workers, and clerical white collar workers. It oers customers revolving-credit cheque accounts, with an interest charge slightly higher than the clearers charge for credit card balance, as well as interest-bearing deposit and savings accounts.

Mr. Graham Telford, the man in charge of marketing at Boston Trust, says he does not regard the clearers as competition in the C2 marketplace.

There are a number of areas in which the British retail banking market is significantly different from that of those countries like Germany and the U.S. whose populations are virtually fully banked. In England and Wales the market is served by four major commercial banks, while Scotland has three commercial banks which were pledged, until recently, not to compete south of the border. The Trustee Savings Banks, though potentially a significant force, have yet to be fully transformed from their old function of collecting deposits for the Treasury. The State Girobank and the Co-operative Bank have only a small share of the market.

But the U.S. has 14,500 commercial banks, more than 5,000 savings banks and 22,500 credit unions. France has nearly 400 commercial banks, 480 savings banks, and 3,000 co-operative banks. Germany has 250 commercial banks, more than 600 savings banks, and 4,600 credit co-operatives.

This does not mean, of course, that all these institutions are offering their services in every High Street of these countries. Very often, indeed, there are agreements that savings banks will not compete in each other's territories. This could have the effect that an individual in a small German town has hardly many more bank branches to use than an individual in a UK town.

On the other hand, because of the regional and local orientation of many of the banks in such countries, there is likely to be far more pressure on all banks to penetrate the whole market, than there is in Britain. In France, it turns out that 40 per cent of current accounts are with the co-operative banks. In Germany the savings banks have almost 50 per cent of current accounts, while in the Netherlands the postal giro holds almost 40 per cent of such accounts.

The point is that in all of these countries the retail banking system is not dominated by commercial banks. There is at present no UK equivalent, in terms of significance, to the German savings banks or the French co-operatives. The nearest potential competitor is the building societies.

But the building societies do not yet offer current account banking services, though the recent decision of the Halifax to install cash dispensers suggests that some societies may not be far off doing so.

Over the past year or so the clearing banks have been running a skillful propaganda campaign against the privileges—fiscal, monetary and prudential—which the building societies have enjoyed by comparison. They have claimed, probably with some justification, that these advantages have largely contributed to the way in which the societies have become the largest gatherers of personal deposits in the country. In 1965 for example; the London clearers had 35 per cent of personal sector liquid assets. By 1978 that had dropped to just over 30 per cent. The building societies, by comparison, had increased their share from 25 to 48 per cent.

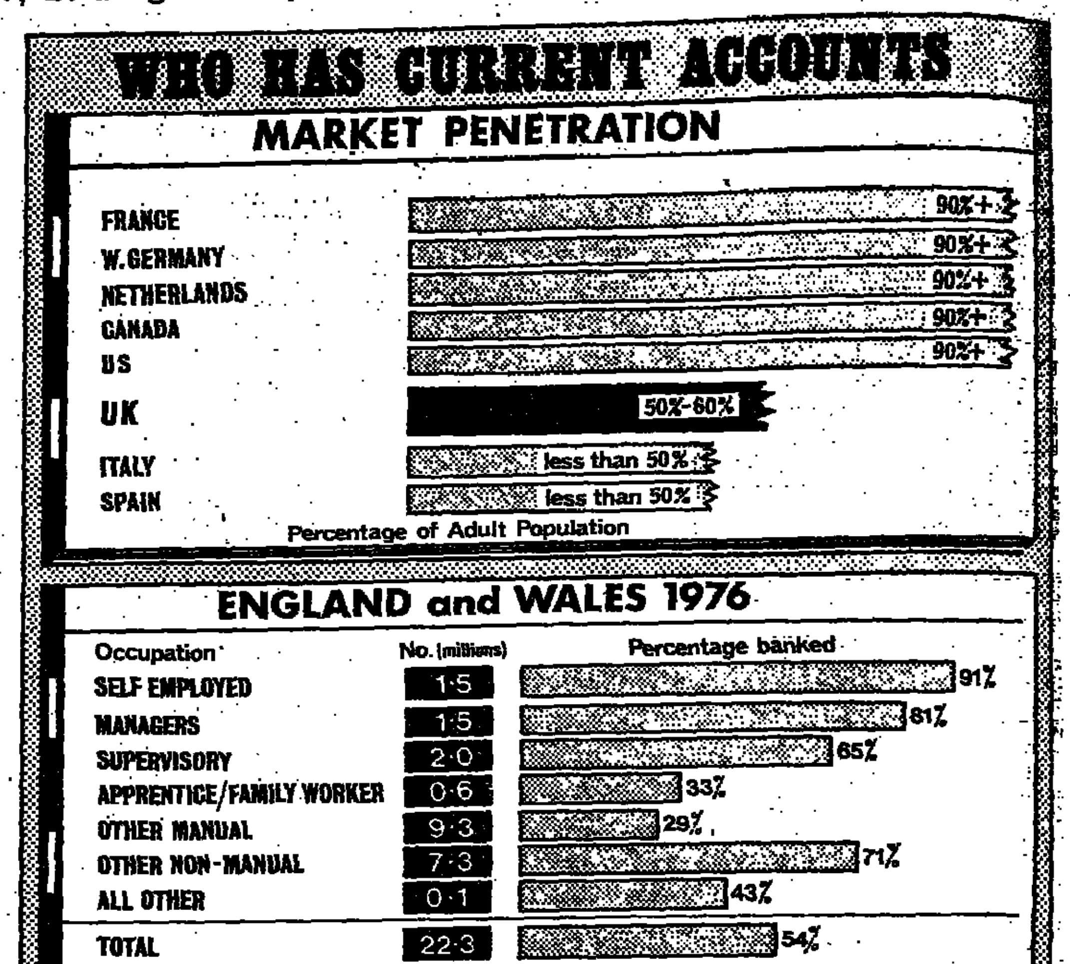
Some clearing bankers, at least, realise that the size of the unbanked population is both an embarrassment and a great opportunity for the banks. Sir Anthony Tuke, chairman of Barclays, told shareholders in the bank's latest annual report: "The real challenge to us over the next few years will be our ability to create the necessary modern banking systems and facilities to attract profitably the 11m wage and salary earners who today have no active clearing bank account." Sir Anthony warned that success would depend on whether the clearers would be able to "provide members of the public with cash where they want it, at all hours of the day, seven days a week, and upon the development of electronic funds transfer and plastic card technology."

Barclays Bank has been a notable leader in public utterances about the problem of the unbanked. Little has been heard from the other banks, beyond occasional speeches by chairmen suggesting that the banking habit was really catching on at last in the working classes. Mr. Robin Leigh-Pemberton, the National Westminster chairman, reflected in a speech last year on the fact that wage earners were "becoming much more financially sophisticated," and as a result were "a large potential market for bank services." It is a fair bet that British workers were ready for the "banking habit" 15 years ago, just as quickly as workers in France and Germany. But it is also true that the banking habit has not been sold to them in any significant way until now.

What should be done about this state of affairs? Government intervention on the French model to help bridge social divisions might help. But should that intervention be directed simply towards driving all the unbanked people into the branches of the clearers which have shown little interest in their accounts up to now?

The fact that there is little obvious competition between the clearers themselves in areas such as current and deposit accounts, where virtually similar services are offered by all the banks, suggests that there might be a job here for the Monopolies Commission.

The Government could take a hand in generating some serious competition in the UK retail banking market by encouraging new entrants such as Citibank, Bank of America, Boston Trust—and maybe one or two European banks—to enter the market in a serious way. It could allow the TSBs to develop their affairs much more rapidly than they are so far permitted. It could also encourage the building societies to join the fun by offering a number of retail banking services, including current accounts.



Letters to the Editor

Aid

From Mr. A. Hewitt.

Sir,—"Persuading Britons to use the European Development Fund (April 25) raises in my mind several unresolved issues about the EEC's development spending in third world countries, and in particular about the degree of accountability of the European Commission with regard to the operations of the EDF.

Whereas Britain's failure to draw adequately on, for instance, the resources of the European Coal and Steel Community, may be attributed to conscious government policy, the poor share of Lomé I contracts awarded to British firms tends to be attributed to deficiencies of the U Kprivate sector. £32m worth of British contracts does indeed seem a paltry result of a convention which in 1975 was trumpeted as being worth £1.5bn over five years. But you report the admission of the EDF's financial and administrative director, Mr. Auclert, that less than 30 per cent of the fund's resources have been disbursed so far. How do third world governments feel on discovering that only £318m worth of aid contracts have been approved from a £1.5bn aid convention which they signed five years earlier?

So lon gas the EDF remains separate from the Community budget (it is funded by special contributions from the member states), officials in the Commission's development directorate will continue to be allowed a large area of discretionary authority which the European Parliament and the European Audit Court have so far been unable to trim. The type of allocation, and the decisions to spend or not to spend seem to rest disproportionately with the Commission Nor are the governments of all the EEC member states concerned about this lack of accountability.

For the UK, there are three particular consequences of inadequate Community control over EDF spending. While the UK government is contributing 18.7 per cent of EDF funds in the current period (it will be 18 per cent over the next five years), British firms have not only won less than a tenth of total contracts, but in particular they have been awarded a mere 2.5 per cent of the more lucrative works contracts with their long term commercial benefits. Although the EDF's disbursement rate s slow even compared with that of other multilaterl agencies, when the promised aid money does get spent it tends to be allocated to projects in countries where French commercial and strategic interests (rather than British, German, Dutch . . .) stand to benefit. The main recipients of aid funds from the Lomé EDF have so far been the governments of Senegal, Niger and Mauritania, with Tanzania taking fouth position. Because the EDF aid programme is never subjected to a formal policy audit, the aid applied may bear little relation to the real needs of the developing countries in question or even to the development assistance policies of most of the governments in the EEC—though it may well mesh conveniently with sectional interests in Europe.

Th answer to British firms who feel aggrieved is no doubt to try harder! But the fundamental policy issues are now more pressing in view of the UK Government's decision to cut the UK aid programme by 14 per cent over the next four years, while committing itself to maintain agreed contributions to the EDF The proportion of UK taxpayers' aid money allocated through the EEC will now rise further within our declining aid budget, and consequently a larger share will be taken out of our control.

Adrian Hewitt,
92 Waterside,
Chesham, Bucks.

Investment

From Mr. A. Bartlett.

Sir, — Waht manner of busines sopportunity exists which can offer beter terms than 17 per cent from the date of investment with virtually no risk? In the present econmic environment, there can be very few. Therefore, it should be no surprise to find that the vast majority of people and corporations with money prefer to "remain liquid," as the satisfaction of an investment criterion and not as a predelection for money.

Once again, we have the inverted reaction of reality as compared with political economic theory. Investment is taking place but in short-term money markets, the latter serving to finance monetary transactions.

High interest rates encourage short-term investment. Reduction in supply forces a higher proportion of money available int short-term investment. Lack of confidence reduces the velocity of circulation of working money. The total picture is therefore inevitable and John Biffen is right. The money supply theory may work in practice, but when? Furthermore, it may work, but why?

Based on previous experience, there is grave danger that our political masters will once again produce an economic result which is the very reciprocal of that which they intend. Concentration on the supply of money accentuates the imbalance in its use. It encourages a high velocity in very short-term investment. It discourages utilisation in medium- and long-term investment.

In these circumstances, attractive investments are outstandingly so. The more demanding situations offer no incentive. Controlling the supply of money without reference to its other characteristics will encourage investment in financial services, trading and those activities where, unlike bricks and mortar, plant and machinery, a rapid change of policy is practicable.

The probable outcome could then be the development of this country during the 1980s as a financial and trading centre with relatively little large-scale manufacturing. Not what the politicians are overtly seeking, since it dramatically changes the employment profile of the nation, but ironically, it could well be the role that suits us best in the world of tomorrow. So, for the wrong reasons, this time we may well be right. But who gets the credit?

Alan F. Bartlett.
21, Great George Street, Bristol.

Banked

From the Director,
Banking Information Service.

Sir,—It is a simple but incontrovertible fact that the London clearing banks have been gathering in nearly 1m new customers a year over the past decade. The pressure on resources, physical and human, has been accommodated without impairment of service and in particular of the money transmission timetable — still fast by world standards. Major efforts have been made, and no general manager would agree with your indictment that profits were ill-desrved (April 28).

Of course, high interest rates play their part from time to time: but so do bad debts. From the peak year of bank profits in 1973 to the current peak, pre-tax profits rose by 169 per cent; the Retail Price Index rose by 138 per cent. The difference is no tas much as you conveyed ("well in excess not just this year but for several years"). Nor, may I venture to suggest, when this is converted into an annualised growth of 2 per cent (in real terms) should it be thought inordinate if considered against the increases in resources employed.

Recollecting, too, the fickleness of public confidence that only a few years ago constrained the chairman and chief executive of a major bank to telephone their reassurance to financil institutions the world over that their bank was solvent, no-one engaged in management would agree with your assertion that recent profits were not necessary.

Notwithstanding the evidence of the growth of the banking habit in this country, you mention that Britain has almost the highest unbanked population in the developed world. Be careful, please, of your basis. Too often people add in all the differing financial institutions abroad—agricultural banks, co-operatives, mortgage banks, credit unions, Giro, commercial banks, etc.—and compare them with just our clearing banks. They forget too that we have building societies, whereas others have this function undertaken by one or other form of bank. Our research shows that between 80 per cent and 85 per cent of the adult population in Britain have an account of one sort or another if building societies and the national savings bank are included; excluding these two forms of institution over 70 per cent have a current, deposit or savings account with a bank of some kind.

Perhaps, too, you have overlooked the stimulus that has been given to the banking habit in some countries by Government-backed moves to have wages converted into salaries paid direct into bank accounts. We have not had that here, and our deeply ingrained social social habits take some shifting The banks are mking efforts to foster this; but it is not a problem hey alone can solve.

Nor is your comment about the incursion of the foreign banks into the British market a particularly apposite one. "Import penetration on a scale unknown elsewhere," you say. Is this true? The American banks, for example, have undoubtedly done beter elsewhere where banking is less developed. Admittedly they have not done so in Europe. Butthen foreign banks have been farless welcome than here, where competition has been freely accepted. And British banks have shown, too, that btey can make significant inroads into banking markets abroad—not only in the corporate sector where there is no need to be hindered by expensive retail outlets, but actually in the retail sector also.

Overall your article does less than credit to the banks in this country; particularly for their efforts in the last two or three years when they have won back some of the market share that had passed to others. By all means let there be further competition. There will be no special pleading by banks against it. Only, and significantly, let it be absolutely fair.

John Hunsworth,
Banking Information Centre,
10, Lombard Street, EC3.

Inflation

From the Managing Director,
Executive Search

Sir,—I do not believe that the British economy, or indeed any other, will be cured of the British disease until the difference between inflation and price increases is clearly understood.

Inflation, as I understand it, is a condition in which money loses its value, usually due to excessive government and other borrowing and the printing press, resulting in loss of confidence by those using the money. It tends to run away and is eventually stopped by the issue of new currency at a devalued rate reflecting its true worth.

Increases in the cost of living can be caused by inflation and lead to inflation, but in modern times they are the result of price increases, either resulting from a shortage of the product or labour (the law of supply and demand) or from monopolistic practices.

If there is no inflation, an increase in price means that there will be a reallocation of resources: less money spent on some products and services in order to spend more on others.

When this is clearly understood, then the folly of raising wages and salaries to keep pace with the increased cost of living will be clearly seen and the consequences can be spelt out.

Adjustment to the ensuing hardship is a problem which can be acknowledged and tackled separately, though not easily.

As individuals on weekly or monthly salaries, we are all used to paying more when a price goes up and having to do without something as a result. Why cannot the Government deal with the national income in the same way?

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POLITICS TODAY

An America with no self doubts

By MALCOLM RUTHERFORD, in Houston

REVIVAL WEEK at the Park City's Baptist Church in Dallas, Texas: Dr. H. Franklin Paschall, the guest pastor, is giving a children's sermon. He raises his hands in the position of prayer.

"The sun," he says, "is the nearest. It reminds us to pray for those closest to us. The big finger reminds up to pray for the big people. Who are the big people?"

"Ronald Reagan," pipes a shrill four-year-old voice around the church.

The scene switches to a meeting of the Society of the Exhausted Roosters, otherwise known as the JC's or former members of the junior Chamber of Commerce. This is a political as well as a beer drinking occasion.

All the candidates running for local office are invited to attend; they are allowed to speak for a miximum of 3 minutes.

"Since this is an impartial gathering," says the Master of Ceremonies, "I intend to let those Republican bastards speak first. Then we can get on with a Democratic rally."

Texas is fun and also full of surprises. For the first time in 100 years it has a Republican Governor in Mr. William Clements, a former Deputy Secretary of Defence.

But the Democratic tradition remains strong. There is a special strand in Texas politics known as the Tory Democrats, people who are basically against the government and govern ment intervention, but who are prepared to allow it when necessary. Texas politics are pragmatic. It is frequently difficult to tell the difference between Democrat and Republican. Mr. John Connally, the state's best known living politician, has been both.

The practical commitment to racial equality here is impressive. It is not just about the blacks but about the Mexicans, who make up nearly 20 per cent of the population. Governor Clements is in favour of a relexation of the immigration laws in order to allow more Mexicans into the U.S.

Of course they are needed for the menial jobs in a booming State, just as Wes tGermany drew on the workers from Turkey, Britain or from immigrants from the Caribbean.

But there appears to be no disposition in Texas to hold down the Mexicans to a menial evel. The most popular food is a mixture called Tex-Mex.

American foreign policy made in Texas would be based on strength.

The main difference between Texas and much of the rest of the U.S. is confidence. Texas is the old idea of America, rich, growing, full of promise, open to all comers. It has the frontier spirit. There are enormous disparities of wealth, to be sure, but that is part of the act. It is not impossible for the poor to aspire to grow rich. Sometimes they achieve it.

If U.S. economic policy were made in Texas, it would be quite different from the policy made in Washington. There would be no calls for protectionism or for subsidies. Competition would rule in the confidence that Texas would win.

To Illustrate the point, one only has to visit the engineering department of the University of Houston. Even the professors talk like John Wayne.

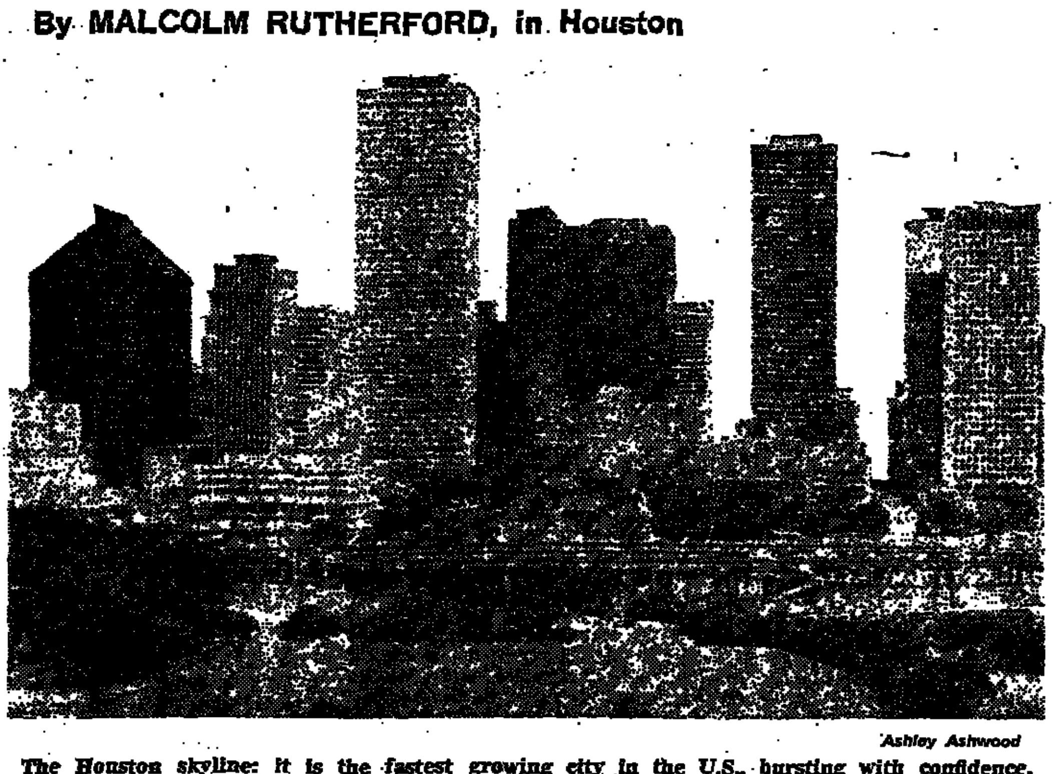
Houston is the fastest growing city in the U.S., a growth that is largely based on oil and oil technology. It is polluted and the growth has been pretty well unchannelled. In many ways it is a chaotic city.

But the engineers are confident that the problems can, and will, be solved. To them there are no technological barriers that cannot be overcome, given the necessary human and financial resources. The resources are there aplenty.

American foreign policy would be different if it were made in Texas. here would be none of that business about accepting strategic parity with the Russians, the requirement of diplomacy or any of the other subtleties about the need to carry along the allies, European or Japanese. An American foreign policy made in Texas would be based on strength.

One says that not to disparage. No doubt American foreign and Economic policy could do with an injection of Texan confidence, even it if may be rash to go too far. The fundamnetal point is the shift in economic power away from the North East to the South West. With it has gone the shift in the old American values.

There has been no comparable shift in political power. When political and economic power are moving in different directions, one senses trouble. The result so far is at worst fragmentation and at best regionalisation. The American states, or the regions, are quarrelling more for economic than politcal reasons. The south, the south east as well as the south west, is winning partly because the power of the trades unions is weaker than in the north east, and partly for reasons of climate and geography.



Ashley Ashwood

The Houston skyline: it is the fastest growing city in the U.S., bursting with confidence. Even the professors there talk like John Wayne. To them there are no technological barriers that cannot be overcome.

But the political battles are still being fought out. If you ask questions in the south east about why the region has become so anxious to encourage economic growth, you are likely to be told that for too long the north east thought it had a monopoly. Now the times have changed. The south east offers better conditions, better incentives, and maybe even better communications.

There is a spectacular example in North Carolina where much of the old tobacco money is going into culture. The city of Winston-Salem has a population of less than 150,000, yet it must have the highest expenditure per head on the arts in the world. The money comes partly from private families and foundations, and partly from the State Government. The quality is high, in theatre, dance and painting. Yet it is hard to avoid the conclusion that the south east is taking its revenge on the north for having lost the Civil War.

It is the north which is now regarded as decadent and unequipped

Texas is diferent in that it regards itself as still a frontier state. It is also a new centre of power and a challenge to Washington and the east coast establishment. Its natural affinities are more to the south and south east, than the declining north. It shares the dislike of trade union power and government regulations. It claims still to have a strong work ethic, a term which apparently means a willingness to work long hours, for relatively low pay, in the hope of earning more later.

Once again religian becomes mingled with politics. The work ethic is the ethic of the Protestants; there are very few Catholics in the south.

Regional differences or rivalries have by no means reached the point of no return. Indeed, if one detecs a commonthread while travelling through the U.S., it is a wish that the differences should not go any further. There is a desire for national leadership and for an end to fragmentation. There is also an implicit, sometimes explicit, assumption that a solution is not yet in sight.

There are certain demands for reform which could help bring the States together. One of the most striking calls from industrialists, businessmen and trade union leaders alike is for some sort of industrial/economic policy. It would lay down the guidelines for which industries the Government is prepared to support, and how; whether by protectionism, regional subsidies or whatever.

There is a remarkably strong belief that the U.S. administration has a great deal to learn from the Germans, the Japanese and the French about industrial policy.

On the more overtly political level, there is a call for an end to the series of primary elections which has come to dominate American elections to the presidency. Should the primary in New Hampshire, almost a year before the proper event, really matter? Why not have primaries, if at all, on a regional basis, for it is the regions rather than the individual states that have now begun to assert themselves? Primaries are more evident in the Press than in the streets.

There is no sign that any of these changes will come about in the near future. Among political scientists, there is a persuasive school of thought which argues that no major new idea has been introduced into American politics and certainly not into economic policy, since the day of President Franklin D. Roosevelt. President Kennedy's was a false dawn. In the end, one returns to the paradoxes or apparent contradictions. Some of them are listed here in no particular order of importance.

There is violence on the New York Underground but almost no-one disobeys the no-smoking signs. In Texas you might be shot for challenging for a parking place, but you always respect the traffic lights. You are very interested in politics, but you rarely bother to vote.

If U.S. economic policy were made in Texas, it would be quite different.

The interest in this year's election may be rising, but the turn-out may be falling.

You go to church to pray for the brotherhood of man, but the congregation is almost entirely white. It avoids, they say, the question of the colour of Christ. In the black religious revival Christ is black—and why not? Voluntary segregation in these matters is the civilised order of the day.

You are very depressed about America in the short term, but you retain your belief that this is the greatest country on earth. There may be troubles ahead, but all will be well in the end. One wonders only wht will happen in between.

Weekend Brief

The 4m dollar brain

The real link that binds Mr. Mr. Ian MacGregor, the new chairman of British Steel, to Lazard Freres, the New York investment bank that is to receive a "transfer fee" for him of up to £1.8m from the British Government, is not just the fact that he has been a useful general partner. It is that he has invested a fair slice of his life savings in the bank. He therefore has a wider interest than might be assumed in its profitability because of the dividends he will be able to draw. These dividends will be affected by his performance at BSC over the next three years and will help to compensate for there being no pension arrangements with BSC or the Government.

Yesterday Mr. MacGregor appeared at the British Steel Corporation's London headquarters looking slightly pink despite a tan, but spruce and fit after flying into London a few hours earlier by Concorde. He displayed great confidence in his own ability as an industrialist and maanger, and as a top executive who trains young men to succeed him. He had little sympathy with those who doubted that any man could be worth £1.8m.

He has only been with Lazard Freres (among many other posts) for less than two years since he gave up his main caree: job as head of AMAX, the American metals company, but would not agree that the bank has won too high a price.

He said he was a "diligent hardworking partner" with Lazard (which has only loose links with banks of the same name in London and Paris). "I participated in a very great number of financial reconstructions and rebuilding of companies" was his proud, but solitary, reason for being valued so highly.

In fact Lazard apparently originally asked for £3m to £3.5m on the basis of a five year contract till he was 72. To begin with Sir Keith Joseph, Industry Secretary, and Sir Peter Carey, his Permanent Secretary, rejected the notion of any such payments. But gradually they became more desperate to find a chairman to succeed Sir Charles Villiers after two or three younger British candidates turned down the job. So they opened negotiations and eventually whittled the sum down to the maximum £1.8m for the three years.

Mr. Ian MacGregor, chairman elect of British Steel, with present chairman, Sir Charles Villiers.

Lazard is only one of several top business appointments held by MacGregor who has been earning a total of not much less than £450,000 a year recently. So the actual maximum sum of £1.8m that the Department of Industry will be paying Lazard is only a little more than his current salary for three years.

His basic annual salary for heading the Steel Corporation is the usual rate for the job—£48,500. But he will continue earning from other posts which the Government—contrary to common practice for nationalised industry chairmen—is allowing him to keep. These include an associate partnership of Lazard plus posts with AMAX, Alumex and the Brunswick Corporation in the U.S., and a directorship of the Atlantic Assets trust in Edinburgh. Yesterday Mr. MacGregor agreed that, with these fees, his basic £48,500 would only be a "modest" contribution to his total annual income which many people believe will be between £120,000 and £150,000.

While such a total figure is at the top end of the range of salaries for chairmen of major British companies, it is not even half what can be obtained for comparable jobs in the U.S. where compensation deals running into millions of dollars are also struck. Pay for performance—which Mr. MacGregor will enjoy through his payments from Lazard Freress—is also more common abroad than in the UK.

So by negotiating such a deal, Mr. MacGregor has not only set new horizons for future nationalised industry chairmen, he has also pinpointed how low paid UK top managers and industrialists are by international standards.

MacGregor insists that, despite his other posts, he will spend most of his time with the Steel Corporation where he intends to be "chief policy officer"—a job description that may lead to the present chief executive, Mr. Bob Scholey, changing his duties. McGregor will cope with his other responsibilities in his normal style of flying across the world for a day or even just a meeting.

Other asides included the information that he had not met Mrs. Thatcher recently but "have met her on and off over "had met her on and off over a home in London with his Welsh wife, Sibyl (he already has two houses in the U.S. and one in Argyllshire). But, despite his income, he thought house-hunting in London would be "difficult at the prices now applying."

He compared the transfer fee Lazard has obtained for him with the £1.25m, paid by Manchester City (which he confused with Manchester United) paid to Norwich City for footballer Kevin Reeves.

"I think it possible that they thought like Manchester United and felt that Kevin Reeves was an all-rounder they could use. But the good people of Norwich said 'You can't take that man away without some compensation'." Unfortunately for the Government, Sir Keith Joseph did not manager to dismiss the payment of up to £1.8m from his Departmental budget to a New York bank with the same disarming smiling charm when he announced the deal on Thursday.

Hit money

Sir Charles Villiers was asked at yestrday's Press conference whether he thought up to £1.8m was a reasonable price for a man.

"Well," he said, "during the war the Germans put a price of 100,000 Marks on my head in 1944. Allowing for inflation I reckon that comes to near the same figure." Sir Charles was parachuted behind the enemy lines in Yugoslavia to help the partisan fighters.

"Ah," said a journalist. "But that was to knock you off."

Hunting the head

The main who played the essential role of go-between in the complex negotiations between the British Government, Mr. MacGregor and Lazard Freres, was Mr. David Norman, London managing director of Russell Reynolds, the Anglo-American head-hunters hired by the Industry Department last November to find a steel chairman.

Government Departments have been using head-hunters for some years to help fill key nationalised industry jobs such as the post office and shipbuilding. The fee is usually a third of the first year's salary for the post—about £16,000 fofr Mr. MacGregor—plus expenses, whic hcan be substantial in a world-wide search.

The Russell Reynolds hunt somewhat unusual in that it spened virtually all the Western world and then because of the go-between role in the subsequent negotiations. "We were at a critical intermediary in discusing terms and conditions with the Government and explaining what was feasible to Mr. MacGregor and his interests" Mr. Norman said in Los Angeles yesterday.

Russell Reynolds was set up ten years ago an dhas offices in the U.S., London and Paris. Companies it has worked for in the UK include Lazards (coincidentally), Rockware, TI,(Blue Circle, and BL where Mr. MacGregor has been a nonexecutice deputy chairman for the past three years. In the U.S. it was used five years ago by Mr. MacGregor to help Singer, of which he has been a director, to find a new chief executive.

Ructions in the House

"HARDLY a day goes by without an incident both shocking and alarming," observed Mr. John Wheeler (Con., Paddington) in the Commons yesterday during yet another of those interminable debates on the problems of London.

His complaint was directed at growing hooliganism on the London Underground. Nevertheless it was appropriate cue for the event which MPs had really been waiting for—another chaonce to attack the £1.8m "transfer" fee being paid for Mr. Ian MacGregor's appointment as Chairman of British Steel Corporation.

An air of glum apprehension hung over the Tory benches as the elegant Mr. Norman St. John Stevas, Leader of the House rose to clear up the debris after the shambles of the previous day when Sir Keith Joseph had made his announcement to indignant and contemptuous MPs.

Blandly, Mr. St. John Stevas declared that there could be no question of re-organising next week's business to debate the MacGregor affair. But, having tasted blood the Labour pack was not to be put off the scent. Urged on by his backbenchers Mr. Michael Foot Labour's Deputy Leader, worked himself up into a positive lather.

Epithets were hurled at the Leader of the House with wild abandon ... "anger and derision up and down the country ..." "rights of the House ..." "gross piece of deliquency by the Government." The Opposition it seemed, were after Sir Keith's scalp. It was not just the terms of the appointment that were in question, said Mr. Foot, but "the competence of the Secretary of State for Industry himself."

In normal circumstances nobody is more eager than Mr. St. John Stevas to enter into an exchange of badinage. On this occasion however, he sternly admonished Mr. Foot for making jokes on a serious subject. Worried Tory MPs may well have concluded that things must be very grim indeed when the urbane Leader of the House loses his sense of humour.

Yet it soon became clear that he was playing his card very shrewdly as he gradually gave ground and calmed the anger of the Opposition. No, he had not said that there could be no debate, only that it could not take place next week. He saw no reason why there should not be inter-party discussions about the possibility of holding a debate at an early date.

Conservative backbenchers, obviously shakened by the newspaper headlines following the uproar of the previous day, were subdued and cautious in their questioning. It was left to the irrepressible left-winger Mr. Anthony Wedgwood Benn to suggest that "It is widely believed that this is a wholly improper transaction bordering in the view of many people on bribery and corruption."

The tone of his language—"absurd exaggeration" as Mr. St. John Stevas called it—gave a noticeable boost to Conservative morale. No doubt the Leader of the House reflected that it only needs a few more remarks like that and the entire Tory Party will be solidly united behind Sir Keith.

Contributors:
John Elliott
John Hunt

Economic Diary

MONDAY—EEC Foreign Ministers begin two-day meeting, Brussels. Mr. Denis Healey, Shadow Chancellor, addresses National Chamber of Trade annual meeting, Southport. Transport Salaried Staffs Association annual conference opens Torquay (until May 9). Three-day Financial Times conference on World Electronics opens, Monte Carlo.

TUESDAY — EEC Agriculture Ministers begin three-day meeting, Luxembourg. House of Commons timetable motion on Social Security (No. 2) Bill. National Enterprise Board annual report. Wholesale price index (April provisional). Mr. Norman Fowler, Minister of Transport speaks at Road Haulage Association annual dinner, Grosvenor House, London.

WEDNESDAY—House of Commons debates Government expenditure plans. Mr. David Steel, Liberal Party Leader, is guest speaker at Newspaper Society annual dinner, Hilton Hotel, London. Mr. Jim Prior, Secretary for Employment, gives Granada lecture on Industrial Relations — Approaching 2000, City of London Guildhall. U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-April). London Clearing banks' monthly statement (mid-April). Organisation of Petrol Exporting Countries (OPEC) meet in Taif, Saudi Arabia. Duke of Edinburgh attends Court Dinner of Saddlers' Company, Gutter Lane, London.

THURSDAY—House of Commons—Finance Bill second reading. Scottish Conservative Conference opens, City Halls, Perth. Mr. Francis Pym, Defence Secretary, at annual dinner of the Association of British Chambers of Commerce, Royal Garden Hotel, London. Vehicle production (April Provisional) Housing starts and completions (March). First quarter figures for house renovations and slum clearance. Mr. Michael Heseltine, Secretary for Environment, is principal guest at Institution of Structural Engineers dinner, Grosvenor House, London. Mr. James Callaghan, Labour Party Leader, visits London Borough of Hackney.

FRIDAY — Mrs. Margaret Thatcher addresses Scottish Conservative Conference, Perth.

M & G profits downturn —dividends omitted

CONFIRMING THE expected drop in profits for the year ended September 30, 1979, directors of M and G Group (Holdings), unit trust manager, announce pre-tax profits, including realisation of investment surplus, of £2.31m for the year against £3.11m. Trading revenue amounted to £4.91m compared with £4.78m.

And the final dividend is omitted, leaving the total at 2p net per 5p share, against 4.113p for 1978.

The directors also report a slight downturn in taxable profits for the six months ended March 31, 1980, and in order to retain reserves the interim dividend for 1979-80 has been passed.

After profit of £251,000 (£467,000) on the realisation of investments, which are now dealt with in revenue reserves, profits amounted to £2.06m (£2.65m) for the 1978-79 year, and were subject to tax of £1.11m (£1.25m).

Net surplus was £949,000 against £1.4m, giving earnings per share of 10.7p (15.9p).

Mr. J. A. Caldecott tells members in his first review as chairman, that profitability of the business was affected by increased costs of both management and administration, and by the declining markets in the last four months of the year. This fall, however, was somewhat offset by increased dividends and interests—£684,000 (£426,000)—on the group's funds.

Treated as an extraordinary item, the directors have provided £3.7m in the accounts as a result of the tax liability problems of the foreign life fund of M and G Endowment and Pensions Assurance. The chairman says there has been a substantial improvement since an EGM in February, in that policies to the value of almost £5m have been surrendered, so that future tax liability in respect of such policies has been extinguished.

The previous estimate of the potential maximum tax deficiency of £7m, has accordingly been revised to £3m.

The extraordinary item includes £700,000 against the premiums on surrender, professional fees, and other costs.

For the first six months of the current year trading revenue rose from £2.25m to £2.81m, but pre-tax profits fell slightly to £1.16m against £1.23m.

The higher revenue was offset by higher expenses and lower investment income following the transfer of cash and securities, valued at £2m, from reserves into the foreign life fund of M and G Endowment and Pensions.

Net profit came out ahead at £721,000 (£678,000) after tax, giving earnings per share of 8.1p (7.7p).

As at September 30, the 1978-1979 year-end, there were net current liabilities of £958,000 compared with assets of £289,000. Long-term insurance business funds assets totalled £177.16m (£153.21m). These included listed investments: unit trusts at market value £86.89m (£79.76m), and other investments at market value £82.63m (£56.62m); unlisted investments: unit trusts at market value £8.09m (£7.86m).

A statement of source and application of funds shows a reduction in working capital of £1.93m compared with a £695,000 increase—bank loans and overdrafts £1.14m (nil).

Meeting, Tower Hill, EC, on May 28 at 2.30 pm.

Lex Back Page

Connaught's rescue bid for Anzani

By Andrew Taylor

FRESH MOVES in the bid to rescue British Anzani were announced by the troubled property and construction concern yesterday. The group faces a compulsory winding-up petition in the High Court.

But one of its creditors, Connaught Property and Land, has arranged for Anzani's principal bank debts to be taken over by Savings and Investment Bank.

The property company declined to give any further details of the transaction or the size of debts involved bu said the deal marked a first step in the final reorganisation of the group.

Earlier this week court proceedings brought by the Inland Revenue for the compulsory winding up of the group were adjourned for 14 days after Mr. Justice Vinelott was told that Connaught, a creditor for £250,000, hoped to mount a rescue operation.

At the end of last month three directors of British Anzani, including Mr. Ivor Shrago, resigned from the board. The group's shares were suspended early in 1977 at 15½p after major property losses.

TV strike setback for Marshall Cavendish

SERIOUSLY affected by the independent television strike, profits of Marshall Cavendish, magazine and book publisher, plunged from £1.73m to £272,000 in 1979, with a loss of £274,000 in the second half. The dividend is cut from 4.422p to 1.05p with a final of 0.525p.

The directors expect a much-improved result in 1980—the first quarter has produced a pre-tax surplus of over £400,000, they state.

At midway, when there were pre-tax profits of £546,000 (£574,000), the directors warned that the full-year surplus was unlikely to reach £1m.

The commercial television strike forced the group to cancel its autumn partwork launch programme, and profits were also adversely affected by the disappointing results from book publishing, which were made worse by the relative strength of setrling.

The current year has already seen several successful partwork launches, they state, and action has been taken by a new management team to rationalise operations and restore profitability to the books side.

Sales in 1979 rose marginally from £23.27m to £23.67m. After tax of £143,000 (£711,000) and minorities of £10,000 (£31,000), there is an attributable surplus of £19,000 (£986,000). Earnings are shown at 0.59p (4.889p), and dividends absorb £214,000 (£894,000).

● **comment**

The slump into the red after profits of £546,000 midway reflects serious problems at Marshall Cavendish's partwork, book and record divisions. The launches of three partworks were hit by the autumn TV strike, and the company says it cost £500,000 to roll them back to the spring. The strength of sterling against the dollar in the important American market brought book company profits down by £300,000. The record business continued to lose money, though it showed a slight profit in the fourth quarter. Its future will be reviewed if the current year shows another loss. Mailing services were squeezed by competition including W. H. Smith and Ryman joining the fight to sell consumer durables through Sunday supplement advertising. The new partworks, including the relaunched "Man and Woman," are selling well, and the hook company has icreased its dollar prices. But the heydays of 1977's £3m profits are still a long way behind. The market had steeled itself for the shock, and at 18½p up 1½p the shares yield 8.3 per cent on an uncovered dividend. The fully-taxed historic p/e is an unlikely-looking 30.5.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Arcolectric	0.26	July 1	0.26	0.49	0.45
Blockleys	4.89	June 25	3.11	6.39	4.26
Brit. Inds. ......defd. int	1.5	June 9	1.5	—	4.4
Draylon Cons. Tst. ...int	2	May 27	2	—	6
Inter-City Inv.	Nil	—	0.57	0.6	1.17
M. and G. (Hldgs.)	Nil	—	0.25	2	4.11
M. and G. (Hldgs.) ...int	Nil	—	2	—	2
Marshall Cavendish	0.53	July 2	3.08	1.05	4.42
Mettoy	0.6	—	1.17*	1.85	2.17*
J. O. Walker	3	July 7	2.91	6	3.91

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

J. O. Walker £66,000 up at year end

DESPITE a £72,409 second half fall to £154,040, J. O. Walker and Co., timber importer, finished 1979 with taxable profits higher at £374,040, compared with £307,449. Turnover improved from £6.52m to £7.61m.

The dividend is booseid to 6p (3.013p) net per 25p share with a final of 3p.

After tax, much lower at £50,231 (£183,701), net profit came through at £323,809 against £123,748 giving earnings of 40.5p (15.5p) per share.

	1979 £	1978 £
Turnover	7,609,797	8,517,529
Pre-tax profit	374,040	307,448
Tax	50,231	183,701
Net profits	323,809	123,748

Expansion to £0.65m by Quest

AFTE Rwriting off research and technical expenditure of £607,000 against £455,000, pre-tax profits of Quest Automation were up from £363,000 to £649,000 for the year ended February 29, 1980. Turnover expanded from £5.06m to £7.5m.

After tax of £36,000 compared with £3,000 the available balance came through at £613,000 (£360,000) giving earnings per 10p share of 8.66p (5.44p).

Thereis a 1p interim dividend —no final is proposed. Also announced is a one-for-10 scrip issue.

HARMAN HEDLEY

Christopher Moran Group said last night that Mr. Victor Wood has been appointed chairman of Harman, Hedley Agencies, the underwriting management subsidiary of the group, in place of Mr. James Redgrove, who remains on the board.

Mr. Wood was appointed a non-executive director of Christopher Moran last September.

Blockleys just ahead

A SECOND-HALF rise from £253,914 to £277,486 has left taxable profits of Blockleys, facing brick manufacturer, ahead at £371,986 for 1979, against £353,914.

And from earnings per 20p share of 11.25p (10.93p) the dividend is boosted to 6.39p (4.2637p) net with a final payment of 4.89p.

Turnover expanded from £2.27m to £2.82m and the pre-tax figure included interest receivable of £38,479 compared with £43,482.

After tax of £199,013 (£185,803) dividends £100,050 (£68,787) and a tax adjustment credit of £12,035 (nil), the retained balance came out at £84,958 against £99,324.

Confidence at Banro

Mr. Edward Rose, chairman and chief executive of Banro Consolidated Industries, told the annual meeting that profits for the first half of 1980 should be ahead of the corresponding period last year.

The recently acquired French company, Farnier and Penin, was doing very well, and he had every confidence in the future growth of the group.

BIDS AND DEALS

Liggett finds 'White Knight'

Grand Metropolitan, which is making a $415m takeover offer for the U.S. tobacco and drinks group, Liggett, refused to comment yesterday on Liggett's assertion that it has been holding "serious discussions" with another potential bidder which it refused to identify.

Grand Met. said that Liggett's claim to have found a "white knight," made in a letter posted to its shareholders late on Thursday night by Mr. Raymond Mulligan, president, was too vague to evaluate.

In the letter, Mr. Mulligan said the talks were aimed at getting a price for Liggett higher than the $50 a share offered by Grand Met. and were undertaken partly because the company's financial advisor, Merrill Lynch White Weld Capital Markets Group, had said in an April 21 opinion that Grand Met.'s offer is inadequate.

Mr. Mulligan said Liggett was also holding talks on the sale of various subsidiaries and had been advised by Merrill Lynch that an orderly liquidation "conducted over a reasonable period" probably would bring shareholders net proceeds of more than $50 a share.

Liggett would consider complete or partial liquidation and has had preliminary talks on "several" acquisition possibilities.

However, Mr. Mulligan said that the U.S. Federal Reserve Board's current policy of voluntary credit restraint "makes this an inopportune time to attempt to obtain the highest value for the company's shareholders from a sale of the entire company."

Yule Catto and Revertex to meet

By Alan Friedman

Yule Catto and Revertex are to meet next Wednesday to discuss Yule's acquisition of a 29.9 per cent stake in Revertex. Mr. Kenneth Waters, a director of Yule Catto, said yesterday that the board of Revertex met on Thursday to consider its reaction and that Sir Campbell Adamson, Revertex chairman, issued an invitation to Lord Catto and members of the Yule Catto board.

Next week's meeting of the two chairman will mark the beginning of the "serious discussions" referred to last week by Yule. Talks will cover board representation for Yule as well as the possibility of a full-scale bid for Revertex.

The Yule stake was acquired in an early morning "raid" by stockbrokers Rowe and Pitman, on Yule's behalf. Both companies have significant and potentially complementary interests in the Malaysian rubber business. Revertex has been Yule's major customer for natural rubber in Malaysia.

Laurence Scott gets offer for PPD offshoot

BY REG VAUGHAN

Laurence Scott, the Norwich-based manufacturer of electrical machinery and control gear which ran into heavy losses last year, has received an approach in respect of PPD Engineering its successful printing and paper machinery component subsidiary.

The approach to have "talks about talks" has been made by Hambros acting for Harland-Simon (1980), which has Mr. Roy Ashman the former PPD chief executive at its head. Apart from Hambros, Harland-Simon is back by the National Coal Board Pension Fund and Electra Investments. Harland-Simon was formerly the UK variable speed drive division of ASEA, the Swedish group, which had acquired it from the Weir Group five years before.

Laurence Scott, which last year was itself the subject of a formal approach from Bridon, the wire rope, fibre and plastics group, said yesterday that PPD "was not for sale." It admitted that sensible offers would be considered on their merits, but that a "ridiculous" price had been mentoined for PPD. Hambros said that no firm offer had been made and more information about PPD would be required before this could be done.

PPD is an integral part of the Laurence Scott group and a major profit contributor. In the year ended March 31, 1979 it made a profit of some £650,000 on sales of £6.5m. This compares with a loss of £1.35m (£2.4m profit) for the Scott group as a whole on sales of £37m (£33.5m). In 1978/79 Scott was hit by the engineering dispute and poor performance of the Norwich operations.

The Harland-Simon acquisition, completed just over a month ago, was itself backed by Hambros together with industrial consultants and is believed to have cost about £1m. A spokesman for Harland-Simon yesterday denied that the company was acquired for the sole purpose of bidding for PPD. He said that Harland-Simon had the potential to be a strong force in its field.

The industrial logic behind the move is that both Harland-Simon and PPD are in related fields; PPD making variable speed drives for the printing and paper making industry and HS making basically the same product for the paper industry.

Apart from Mr. Ashman (who resigned from PPD on March consists of Mr. H. F. Lally, also a former PPD director, and a Hambros director. The company, which has retained its relationship with ASEA, has just received its first major contract worth £1m from Kimberley Clark.

COPE ALLMAN

In yesterday's item on Cope Allman buying East Anglia Enterprises and Bell-Fruit (East Anglia), it should have been stated that the combined assets of the two companies being acquired had been estimated to have increased to (not by) some £1m.

WARING/MAPLE

Fielding, Newson-Smith and Company, brokers to Waring and Gillow, yesterday bought on its behalf 525,000 Maple and Company at 35p and 100,000 at 33 37/64p special ex dividend.

HAMBRO LIFE

Mr. M. A. Weinberg, a director of Hambro Life Assurance, sold 242,500 shares at 179 11/16p on April 29.

Virtual break-even second half as Mettoy slumps to £0.72m

A MINIMAL £20,000 second half contribution, compared with £2.0m last time, left 1979 pre-tax profits of Mettoy Company, toy manufacturer, well down from £3.64m to £723,000.

Basic yearly earnings per 25p share fell to 7.1p (16p) and diluted to 6.5p. The final net dividend is 0.6p, effectively cutting the total payment from 2.167p to 1.85p.

Turnover for the 12 months increased from £31.17m to £32.51m but trading profits tumbled from £3.76m to £1.54m. Pre-tax profits were struck after higher interest of £821,000 (£340,000) and they included a lower share of associates totalling £2,000 (£218,000). There was a tax credit of £435,000 (£1.04m charge), the attributable balance amounted to £1.16m (£2.6m) and £855,000 (£2.22m) was retained.

● **comment**

Perhaps understandably, Mettoy waited until the market's official close to reveal the sickening 80 per cent slide of 1979 pre-tax profits and the 57 per cent cut in final dividend. Dealers knocked 4p off the shares to 27p in late trading. Mettoy directors offered no explanation for the debacle, but the causes were signalled at the interim. The strong pound cut into exports which account for about 40 per cent of sales. In the UK, toymakers' Christmas sales were weak and the cost of financing stock has soared. Group turnover grew only 4 per cent in money terms. The shares have already taken a beating and although there is no sign yet of recovery, Mettoy's relatively strong balance sheet will help it endure bad times. The 10 per cent yield is handsome but the fully taxed and diluted p/e of 13.2 seems a bit exuberant.

Improvement by Guardian Investment

On gross income of £3.86m against £3.16m, taxable revenue of Guardian Investment Trust Company for the year to March 31, 1980, improved by £1.06m to £3.66m.

Tax for the 12 months took £1.19m (£0.99m). Earnings per 25p share advanced from 3.18p to 4.69p and the dividend total is stepped up from 3.15p to 4.6p, with a final payment of 3p net.

The market value of investment at March 31 was £57.36m (£55.85m) and the net asset value per share, after deducting prior charges at par, was 106.7p (122.5p).

MERGER CLEARANCE

Scherer Corporation's proposed acquisition of certain assets of P. Leiner and Sons will not be referred to the Monopolies and Mergers Commission.

Norvic warns of first half deficit

In his annual statement the chairman of Norvic Securities [illegible] for the first half of the current year. For 1979 profits rose from £115,333 to £140,929, but the second half showed a sharp downturn from [illegible] to [illegible].

The company's [illegible] and children's [illegible] in Norwich are still working full time—but the men's factory at Northampton and the Mansfield factory are now both on short-time working [illegible] considerably down on same period last year.

With the [illegible] 1980 [illegible] with stocks and borrowings at a higher level than was either comfortable or desirable.

Corrective action which is being taken will have an adverse effect on profits during the coming months, and interest represents an added burden.

Current cost accounts reveal pre-tax losses of £346,000 (£207,000) for 1979.

Sharp fall for Arcolectric

TURNOVER of Arcolectric (Holdings), electric switches and neon signal lamp group, totalled £4.13m for the 14 months ended December 31, 1979, compared with £3.39m for the previous year, and pre-tax profits were much lower at £214,853, against £557,699.

At the six-months stage the group had shown a loss of £20,811 (£149 971 profit).

After tax for the 14 months of £136,989 (£281,210) earnings per 5p share are shown a 1.17p (4.31p), and the dividend is slightly increased to 0.49p (0.4469p) net with a final of 0.26p.

Inter-City well down—omits final

A second half loss of £65,000, compared with a £393,000 profit at Inter-City Investment Group, has left this investment, textile and wholesale distribution concern with taxable profits well down at £167,000 for 1979, against £700,000.

The final dividend has been omitted, making the year's total 0.6p net per share, compared with 1.1725p.

The expectation of an improvement in demand in the last quarter of the year was not fulfilled and turnover—£10.12m (£9.85m)—was maintained only at the expense of gross profit margins. This, together with high interest charges, caused the downturn in profits, the directors explain.

The start of the current year has been most encouraging, they state, and a good recovery for 1980 as a whole is anticipated.

Pre-tax figure included associates' share of £46,000 (£15,000) and was subject to tax of £30,000 (£178,000) leaving the net profit at £137,000 against £522,000.

Earnings per 20p share are shown down from 5.6p to 1.47p.

After the dividends' cost of £56,000 (£109,000) the amount retained was £81,000 (£413,000).

Results due next week

Things should be looking up for the Royal Bank of Scotland next Thursday when the group reveals its interim figures. Outside forecasts point to between £65m and £70m pre-tax, against £41m for last year's comparable period. The same reasons which fuelled the income growth of the four major London clearing banks are behind the Royal Bank's growth: interest rates and high loan volume have been highly favourable. In addition, the absence of the bad debt write-off which characterised last year's first half has helped to spur the improvement. For the full year, analysts suggest between £110m and £120m, against 1979's £96.6m.

Next week sees preliminary figures from three major retail chains Marks and Spencer, J Sainsbury and Mothercare. First up is Mothercare on Tuesday. While most forecasters are looking for around £21m pre-tax, nervousness about the second half after what is thought to have been a slow Christmas is shading some expectations down to £20m or so. The increase from 1979's £15.8m comes largely in the UK, though last year's American losses have probably been cut well back. For the current year, with the U.S. heading in the right direction and U.K. sales space to be raised by around 10 per cent, analysts are pencilling in £24m.

The following day sees figures from Marks and Spencer. Expectations are for £170m to £175m, against last year's £161.6m. The first half was disappointing, with weak non-food sales and a hefty wage bill. Trading since then is thought to have been significantly better, but with Christmas slightly below par. The Canadian shops should have seen a good second half, resulting in a full-year profit after last year's slight loss. M and S profits look relatively impervious to current cost acounting, which lopped only £11m off last year's figures. A final dividend of 2p would give 35p net for the year, against 1979's 2.609p.

Wednesday also brings preliminary figures from J. Sainsbury, and the market is looking for £38m, after the £1m cost of implementing the profit-sharing scheme. In 1979, the company saw £32.6m without the scheme. Second half sales should see a boost from the seven new stores opening in the half, with year-end on year-end sales space up by 5 per cent. Associate companies remain a depressed area, with problems in egg marketing and heavy initial costs in the early SavaCentre developments. Analysts look for a final dividend of 6p, making 9p net for the year against 1979's 7.12p. Estimates for current year profits are around £43m to £45m.

Analysts are looking for £48m to £50m pre-tax profits from construction group Costain when it reports preliminary figures on Tuesday. Its Australian and Canadian companies should have had quite a good year, with UK housing work also strong. A slight downturn is foreseen for the current year, with two major contracts in Dubai now completed and leaving a gap in the workload. The board forecast a minimum 4p net final at the interim, which would give a full-year total of 8p, against 1978's 3.0457p.

Estimates of 1979 P and O results, due Wednesday, have been building in the past few months as shipping markets have remained strong and the company has continued to sell off assets, thus reducing its heavy interest costs. For pre-tax profits, the range of estimates is from £25m to £35m excluding profits from ship disposals. Oil and oil product trading, which was expecied to fade in the second half, is believed to have been a significant contributor. The dividend might be raised slightly.

People cut back their buying of footwear in the second half of 1979 and analysts quickly marked down their expectations for Sears Holdings. Whether the slump was due to good weather—which stopped the ladies from buying winter boots—or resistance to big VAT and raw material inspired price increases, the shares have dropped significantly. If preliminary pre-tax profits to be reported on Wednesday exceed last year's £91m, interest in the shares could be restored.

Among the other companies reporting next week, Jefferson Smurfit reveals preliminary figures on Monday, Whessne produces its interim numbers on Tuesday and Smith and Nephew's first quarter results come out on the same day. Ransome Hoffman Pollard unveils interim figures on Thursday and Tricentrol finishes week with first quarter figures on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
[illegible]	Wednesday	3.3	6.7	4.0
Atlas Electric & General Trust	Thursday	0.75	1.5	0.9
British Investment Trust (The)	Thursday	2.45	3.25	3.854
Brixton Estate	Wednesday	1.16092	0.77483	1.4555
Burrell	Friday	—	0.1	—
Canadian & Foreign Inv. Tst.	Thursday	1.5	2.7	1.75
Costain Group	Tuesday	—	—	4.4709‖
Crowther (John) Group	Friday	—	0.73	—
Cullens Stores	Thursday	1.345	3.0	0.7
[illegible] Holdings	Wednesday	—	4.0	—
Edinburgh General Insurance Services	Friday	—	—	—
Fulcrum Investment Trust	Wednesday	—	—	2.1‡
Garner Scotblair	Friday	2.0	3.0	2.4
Geers Gross	Tuesday	1.5	1.5	1.5
Hall (Matthew)	Wednesday	1.3644a	4.34627	1.897b
Howden	Thursday	—	0.25	—
Haverham Group	Thursday	0.6875	1.6352	0.6875
Laing (John)	Tuesday	1.01	1.5	1.0
L.S. Industrial Investments	Thursday	1.45	1.45	1.5
Mallinson-Denny	Wednesday	1.25	1.868	1.5
Marks and Spencer	Wednesday	1.15	1.4587	1.5
Marshalls Universal	Tuesday	2.3264	2.43288	2.8
Millets Leisure Shops	Wednesday	—	3.317	2.95
Moss Bros	Thursday	1.11108	2.71191	1.4
Mothercare	Tuesday	1.16484c	2.15629	1.71654d
Nineteen Twenty-Eight Inv. Tst. (The)	Friday	1.25	2.08	1.5
Peninsular & Oriental Steam Navigation	Wednesday	3.0	3.54228	3.0
Porter Chadburn	Thursday	1.6214	4.26428	1.694
Sainsbury (J.)	Wednesday	2.3304g	4.85	3.0
Sandhurst Marketing	Thursday	—	0.6909a	0.78
Scott Holdings	Thursday	0.5	0.98	
Seccombe Marshall & Campion	Thursday	8.8264	9.3085	8.0
Smurfit (Jefferson)	Tuesday	2.612	5.838	2.612

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Third Mile Investment	Tuesday	0.5025	0.5025	0.525
Trust Union (The)	Wednesday	0.85	1.25	1.2
Usher-Walker	Friday	1.2827	2.3319	1.2827
Weeks Associates	Friday	0.6e	0.86379	0.7
INTERIM DIVIDENDS				
British Sugar Corp.	Thursday	1.81503	5.885	
Central Manufacturing & Trading Group	Wednesday	1.65	1.65	
Cooper (Frederick) Holdings	Wednesday	0.33	1.17	
Davenports Brewery (Holdings)	Thursday	0.88	2.67	
Devenish (J.A.)	Wednesday	2.125	5.25	
Gomme Holdings	Wednesday	0.887	3.17	
Hawkins and Tipson	Thursday	1.0	—	
London & Prov. Shop Centres (Hldgs.)	Wednesday	0.36421	0.93079	
Moss Engineering Group (The)	Tuesday	2.01	3.85	
Pearce (C.H.) & Sons	Thursday	1.445	6.25	
Ransome Hoffmann Pollard	Thursday	1.44	3.46	
Richards	Friday	0.3	1.15	
Royal Bank of Scotland Group (The)	Thursday	1.52	2.4	
Serck	Thursday	2.2	1.2	
Ulster Television	Friday	2.2	2.6	
Vaux Breweries	Friday	1.8425	4.2	
Wellco Holdings	Tuesday	0.4	1.0	
Whessoe	Tuesday	2.167	3.833	
INTERIM FIGURES				
Wood Hall Trust	Thursday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Includes a non-recurring dividend of 0.85p. ‡ Includes a special dividend of 0.1p paid out of non-recurring income. ¶ Paid by John Laing & Son Ltd. ‖ Includes special dividend of 0.4079p. § Includes second interim of 0.67p. § For seven months to 31.1.79. The following are compensating dividends included to allow for the change in the tax rate: a 0.0808, b 0.232, c 0.02994, d 0.0854, e 0.01212, f 0.1264, g 0.0604.

● **NEWS ANALYSIS—FAIREY ACQUISITION**

'Doulton offered the surest haven'

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE National Enterprise Board's decision to acquire the Fairey group two and a half years ago aroused controversay in the City, and it seems that its disposal of the group to Doulton (par of S. Pearson) will similarly not be without its critics in that hallowed territory. Nor has the NEB's handling of the affair been entirely to the liking of the Government.

The joint announcement by the NEB and Doulton that terms had been agreed for the acquisition of Fairey Holdings by Doulton was made late on Thursday afternoon, a little more than 24 hours after two firm offers had been put in the hands of the NEB. Hambros Bank was finally bidding £20.5m on behalf of a consortium of institutional investors, and Doulton's offer was for £24m.

In the interests of strict confidentiality, the NEB did not disclose the size of the Doulton bid to Hambros, while Doulton was only aware of the £19.5m offer from Hambros which had been delivered to the NEB on February 21, and made public the following day. By Thursday morning of this week, Hambros gave indications to the NEB that it might be able to push its offer up to £22m, but this involved the topping-up element coming from dividends to be paid by Fairey over a period of time.

A sub-committee of the Board of the NEB, headed by chairman Sir Arthur Knight and consisting amongst others of Sir John King and Mr. Ian Halliday, sat down to consider the respective bids. Price was obviously a major consideration, but in addition the NEB was required to assess the future of Fairey under Hambros or Doulton. And on this score—price apart—it seems that Doulton's offer was slightly more attractive.

Doulton intends to run Fairey as a separate subsidiary, reporting directly to the Doulton board. Although Doulton already has engineering interests, they have little relation to Fairey's activities and have not been particularly successful of the past three years. Although Doulton Engineering managed some recovery last year, returning a profit before tax of £2.2m against £1.65m the previous year, the board admitted that this did not match its best hopes.

Doulton's chairman, Mr. Peter Medd, has described the Fairey acquisition as creating a better balance of activities in the group, but has made no claim to justify the purchase in terms of industrial relationality. It comes as no surprise, therefore, to learn that the top management of Fairey, which has done a good job over the past couple of years in steering a reasonable profit able and expansionary course, will remain.

Fairey's chairman, Mr. Angus Murray, who with Mr. Kenneth Bacon, chief executive, will be invited to join the board of Doulton, is happy to make a go of the arrangement. But Mr. Murray, along with the other senior management at Fairey, had all along said that he preferred the Hambros' offer to the alternative of becoming part of a larger group. This was because the Hambros' plan was to place most of the equity with institutions, bringing the company to the market when the time was more appropriate than the present.

The plan would have enabled Fairey to maintain its independence, and in time to give the employees of Fairey a chance to buy shares in the company—something which Murray has always been keen on. Murray summed up his reaction yesterday to the outcome as: "If it had to be anybody, I am pleased it is Doulton." The NEB, however, is perhaps more inclined to take the view that Doulton offers the surest haven.

Hambros, for its part, has made it known that it is angry about the outcome. Mr. Chirstopher Sporborg, a director, says that the NEB had used it as a "stalking-horse." It first made its offer more than two months ago, and twice extended it at the request of the NEB.

The NEB would probably have preferred to keep the whole story quiet until it was in a position to make its final decsion. As soon as the Conservative Government was elected a year ago, it was clear that Fairey was in the front line of assets which could be disposed of by the NEB. Sir Leslie Murphy, then chairman of the NEB, had consulted Murray about the possibility of floating off Fairey last year.

When both Murray, and the NEB's advisers, Morgan Grenfell, recommended tat this would probably not raise the £18m which the NEB had paid originally for Fairey, Sir Leslie told them to go ahead with looking at other possibilities.

This course was interrupted by theappointment of a complete new board at the NEB, and it became quite clear that relations between Murray and the new chairman, Sir Arthur, were not as close as with Sir Leslie. The Government then announced that it was relinquishing its obligation on the NEB to meet its £100m contribution to the reduction of the public sector borrowing requirement by the end of the financial year.

At this stage the NEB would clearly have preferred to take its time over disposing of Fairey. Against this was the fact that uncertainty over its future ownership could not be good for Fairey, which was quickly followed by Hambros putting in its £19.5m offer. This was seen by the NEB as pushing it into making a decision, and although relations between the NEB and Hambros were subsequently patched up, there is no doubt that Hambros did not get off to the best start.

The closing date for offers was set finally for the end of April. By this stage, the NEB was obviously anxious to make a decision. Even so, the fact that the announcement came just one day later was somewhat surprising. The decision was communicated immediately to the Department of Industry, in readiness for its consideration by the Secretary of State, Sir Keith Joseph, who has to confirm the disposal.

Although it is very unlikely that Sir Keith would withhold such confirmation, there must be a distinct feeling within the Department of Industry that the preferred course would have been for the NEB to communicate its decision to the Department, which would then announce that it had confirmed the NEB's recommendation. Instead, it has now been placed in the situation that if, by any chance, Sir Keith did object, he would be obliged publicly to state his reasons.

The future for Fairey in the Doulton stable has every chance of being as good, if not better, than the alternative offer, while the NEB can point to the fact that it has got a very good price for the group. Some engineering analysts yesterday put the price at which it would have come to the stock market at no more than £17m. But the way the decision was arrived at does not show all those involved in the best light.

[S]UMMARY OF THE WEEK'S COMPANY NEWS

[Tak]e-over bids and deals

[W]ide-ranging dairy produce and foods concern Unigate is [makin]g a bid for Berkshire-based Clifford's Dairies which the [board] has rejected. Cash-rich Unigate, which raised £87m last [year f]rom the sale of its creameries to the Milk Marketing Board, [is off]ering one of its shares plus 15p cash for each Clifford's [ordin]ary, and one share for each Clifford's non-voting; there are [cash] alternatives of 120p and 105p respectively. The bid is con[dition]al on Clifford's not proceeding with the proposed £1.53m [rights] issue announced on April 23.

[P]erennial takeover chestnut Wilson Bros. is the subject of [an a]greed bid from fellow greetings card publishers Fine Art [Deve]lopments. The latter, which already controls 24.4 per cent [of th]e equity and has another 2.1 per cent held by its pension [fund], is offering a one-for-three share-exchange plus 56p cash; [the t]erms value the whole of Wilson at £4.3m. Wilson's directors, [who] speak for 5.7 per cent, have accepted the offer and [recom]mend other shareholders to do likewise.

Furniture retailer Waring and Gillow has increased its con[teste]d offer for Maple by some 16 per cent but has again been [rejec]ted. The higher terms, one W and G share plus 312p cash [for] every 12 Maple shares, value the latter at almost £10m. There [is a] cash alternative of 35p per share. Waring state that its second [offer] reflects Maple's property revaluation, the basis of the latter's [defe]nce, and that it will not be increased further. Maple is pro[vidi]ng information to an unnamed third party, believed to be [MFI]S, who has expressed interest in a possible takeover.

The rationalisation of EMI's widespread activities promised [by] Thorn at the time of last year's takeover is under way. [Gen]eral Electric of the U.S. are to purchase most of the loss[-mak]ing medical scanner operations for $87.5m (£61.3m). The [dea]l is subject to the approval of American and British authorities.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc'tce date
Prices in pence unless otherwise indicated.						
[...]sam Inv.¶¶	150*§	147	118	4.23	Inchcape	—
[Ta]rget	12*‡	17	11	8.56	Tinnox	—
[Bi]shopsgate Prop.	5*§	4½	5††	0.36	Bkly. Hambro	—
[...]wring (C. T.)	168§§	153	141	183.9	Marsh and McLennan	—
[Ci]ty & Intl. Tst.	142½	140	126††	19.44	Guthrie	—
[Cl]iffords Dairies	131§§	120	92	2.30	Unigate	
[D]o. A N/V	116	101	80	12.07	Unigate	
[Co]mpAir	107½§§	102	95½	59.47	I. C. Gas	—
[G]ray Elect.	31*§	37	35††	0.93	Thrgmrtn. Tst.	—
[...]olei Tea	270*	275	215	0.29	Tategold	—
[G]ibbs (A.)	85*§	81	82	9.30	HK & Shanghai Bank	—
[H]offnung (S.)¶¶	88*	87	74½	15.51	Burns Philp	—
[...]idstone	280*	350	290	0.51	Greewalk Nominees	—
[L]ond. & Prvncl. Poster	500*§	470	287††	9.12	Reed Intl.	—
Maple	35½§§	36	27½	9.90	Waring & Gillow	21/5
Nationwide Leisure	6*§	6½	9	0.66	Rantlodge	—
Paradise (B.)	10*	14	24††	0.05	Pullmn. (R.J.)	—
Status Discount	58	54	69††	23.2	MFI	—
Turner (W. & E.)	87½*	82	48††	9.07	J. Hepworth	—
Viking Oil	300*‡	£13½	810	—	Deminex	—
Viking Oil	625*‡	£13½	910††	—	Sun Co.	—
Viking Oil	450*‡	£13½	£10	—	Hunt. Int. Petroleum	—
Wilson Bros.	37§§	34½	21	3.17	Fine Arts Devs.	

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 2/5/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‡ Plus royalties.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Ace Belmont	Feb.	750	(695)	—	(—)
Common Bros.	Feb.¶	650	(336)L	5.0	(4.0)
Hawthorn Leslie	Dec.	223	(101)	1.5	(1.25)
Lyles (S.)	Dec.	365	(453)	2.0	(2.0)
Pochins	Nov.	252	(273)	0.88	(0.88)
United Wire	March	534	(649)	2.2	(2.2)

(Figures in parenthese are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † For 15 months. ‡ Interim dividend. ¶ Eight months to February. || Net loss after providing for rebate, tax recoverable and all expenses. § Profit after transfer to reserve for contingencies. a Profit after transfer to inner reserves. b Losses after tax. c Profit after provision for tax, rebate and a transfer to contingencies reserve.

Offers for sale, placings & introductions

London & Liverpool Trust: Placing one million ordinary shares at 29p per share.

Rights Issue

Clyde Petroleum: 2,312,050 new ordinary shares of £1 each on a two for seven basis at 200p a share to raise £4.5m.
† Approximate figure before expenses.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aberdeen Constr.	Dec.	3,450	(3,350)	18.3	(15.7)	5.75	(5.14)
Allied Plant	Dec.	1,200	(470)	7.9	(4.3)	1.58	(0.85)
Alpine Holdings	Jan.	2,758	(1,915)	15.8	(10.6)	5.25	(2.76)
Ayreshire Metal	Dec.	1,830	(1,410)	29.2	(18.1)	7.0	(5.0)
B.A.T Industries	Dec.	443,000	(435,000)	7.15	(67.2)	6.0†	(22.34)†
Bellair Cosmetics	Nov.	115L	(47)L	—	(—)	—	(—)
Black (A. & C.)	Dec.	65	(340)	3.2	(18.6)	5.93	(5.93)
Boot (Henry)	Dec.	2,230	(3,690)L	49.1	(—)	13.0	(2.5)
Border Breweries	Feb.	1,001	(895)	13.0	(10.6)	4.5	(3.91)
Brook Street	Dec.	2,710	(1,910)	12.3	(8.9)	4.14	(3.1)
Bunzl Pulp	Dec.	13,659	(12,793)	29.3	(28.2)	6.57	(4.57)
Caird (A).	Jan.	62	(172)	23.0	(43.7)	10.0	(9.27)
Cent. & Sh'erw'od	Dec.	4,720	(5,530)	7.1	(6.4)	1.66	(1.38)
Clifford Inds.	Dec.	231	(171)L	10.7	(—)	7.5	(—)
Comfort Holtels	Dec.	2,500	(1,340)	3.8	(3.1)	0.55	(0.45)
Davies & Newman	Dec.	3,380	(2,010)	73.4	(22.3)	10.0	(8.16)
Energy Services	Dec.	1,330	(1,060)	2.7	(2.2)	0.63	(0.5)
Estates & General	Dec.	1,028	(857)	3.4	(3.0)	1.4	(1.2)
Foseco Minsep	Dec.	18,430	(17,370)	20.7	(19.7)	6.41	(5.24)
Gerrard National	April	1,169Lb	(4,435)a	—	(33.5)	11.5	(9.12)
Gordon (Luis)	Dec.	475	(180)	8.2	(2.9)	1.5	(1.0)
Harrison (T. C.)	Dec.	3,760	(3,050)	23.8	(19.2)	2.95	(2.46)
Henderson (P. C.)	Dec.	2,770	(2,010)	35.0	(24.2)	8.0	(4.81)
Hunting Gibson	Dec.	2,890	(1,260)	30.7	(11.3)	4.5	(1.28)
Jessel Toynbee	April	50‖L	(942)§	—	(7.2)	4.63	(3.65)
Martin Black	Dec.	445L	(179)	0.5	(2.0)	—	(2.0)
Mowlem (John)	Dec.	5,720	(5,920)	25.0	(27.9)	7.98	(7.26)
Nathan (B. & I.)	Dec.	572	(483)	14.8	(22.9)	4.0	(3.63)
Nurdin & Peacock	Dec.	7,050	(5,440)	22.0	(16.3)	3.6	(2.06)
Newarthill	Oct.	10,040	(9,260)	25.3	(27.4)	6.0	(5.32)
Petrocon Group	Dec.	153	(247)	1.4	(2.6)	1.51	(4.87)
Platignum	Jan.	331	(655)	0.9	(1.4)	0.6	(1.01)
Roberts Adlard	Dec.	950	(707)	22.7	(17.3)	7.0	(4.82)
Scottish Heritable	Dec.	1,330	(1,090)	13.1	(10.7)	2.5	(0.92)
Shiloh Spinners	March	65	(392)	10.5	(6.6)	1.83	(1.83)
Simon Engn.	Dec.	18,540	(16,610)	50.7	(41.8)	11.33	(9.07)
Smith St. Aubyn	April	1,102c	(1,495)c	10.2	(12.8)	8.0	(5.55)
Stanley (A. G.)	Dec.	2,980	(1,896)	11.4	(6.0)	2.5	(1.63)
Sunlight Service	Dec.	1,310	(1,070)	10.0	(8.8)	1.9	(1.34)
Tarmac	Dec.	38,029	(26,469)	53.4	(26.4)	13.75	(10.95)
Tel. Rentals	Dec.	11,271	(10,920)	19.8	(19.4)	7.5	(6.52)
Turriff Corp.	Dec.	1,370	(1,240)	29.2	(23.2)	3.75	(2.91)
Uniflex Holdings	Dec.	505	(772)	21.3	(37.5)	1.5	(3.07)
WaverleyCam'r'n.	Dec.	378	(289)	96.0	(59.5)	15.0	(11.0)
Whatman Reeve	Dec.	740	(1,010)	15.4	(15.3)	3.5	(2.26)
Williams (W.)	Dec.	203	(203)	9.0	(3.7)	1.13	(1.13)
Wimpey (George)	Dec.	47,300	(57,200)	16.0	(17.8)	2.25	(2.27)
Wire & Plastic	Dec.	423	(374)	6.6	(5.5)	1.85	(1.68)

Scrip Issue

Davies and Newman: One-for-six.

Michael Donne looks at Rolls-Royce annual report . . .

Back into profit by 1981

ALTHOUGH Rolls-Royce incurred a pre-tax loss of £58.4m last year (against a profit of £11.7m in 1978), both the company and the Government are confident that better times are on the way.

Sir Frank McFadzean, who succeeded Lord Keith as chairman earlier this year, says in the annual report that the current year's results will show an improvement over 1979, and that it is hoped to show profits in 1981.

The 1979 losses are not due to any technical failures on the part of the company. Its products, particularly the RB-211 and its derivatives, continue to do well in world markets.

Total sales last year amounted to £848m, of which civil sales accounted for £360m and military to £485m.

At the end of the year, the backlog of orders stood at a record £1,949m, of which aero-engines and industrial and marine engines accounted for £1,355m, and nuclear and spares work accounted for £594m.

The reasons for the loss included such factors as the engineering strikes last year, which shut the factories for three weeks and contributed £15m to losses.

But the primary causes were the sharp rise in inflation rates—which were at a higher pace than expected and particularly so in the UK—and exchange rate problems.

As Sir Frank McFadzean points out: "Far from reflecting the differential rates of inflation, the pound appreciated against the dollar. Consequently, orders which were expected to be profitable when they were taken are now likely to be unprofitable.

"The extent of the swing will depend on inflation rates, which are not within the company's control, and on the exchange rate at which the U.S. dollar income (of the company) will be sold for sterling."

Many of Rolls-Royce's engines, but particularly the RB-211s for Boeing 747 Jumbo jets and Lockheed TriStar airliners, are contracted for world-wide in dollars—virtually the standard currency of aviation—but the company incurs its manufacturing costs in sterling.

Thus, it is at the mercy of exchange rate fluctuations. These can swing either for or against sterling, and thus either for or against the company. At present, because of the weakness of the dollar, the company has been losing heavily.

But Sir Frank points out that the company has already taken steps to deal with this problem. "The abolition of exchange controls at the end of 1979 has widened the opportunities open to the company for covering exchange risks.

"Increasing use of the forward facilities will reduce substantially the future impact of unpredictable fluctuations on the company's accounts."

But the company is clearly facing some other formidable problems, one of the most significant being the need to raise productivity substantially to meet the heavy contractual commitments entered into for new engines.

Many of the £360m civil sales last year were for new RB211 engines for the Boeing 747, Lockheed TriStar, and the new Boeing 757 twin-engined short-range jet airliner, for which RollsRoyce won the launch order with its Dash 535 version of the RB-211.

These heavy contractual commitments are already imposing a severe industrial task on the company. It must effectively treble the annual production of RB-211 engines between 1979 and 1982, from about 80 engines last year to over 230 a year.

This will not only require a big increase in individual productivity from every member of the work-force, but also impose consequential severe demands upon the company's many hundreds of outside sub-contractors and equipment suppliers.

The effects will thus be felt throughout British industry. Rolls-Royce feels reasonably confident that it can impose the necessary disciplines on its own labour force to achieve this improvement, but it is less confident of being able to do the same with its component suppliers.

But it has got to do so, however painful that may be for the component suppliers.

For as Sir Frank stresses "it is not only in price that we have to be competitive. Customers must also have confidence in our engines, in our ability to produce them at the right time and in our capacity to sustain a high and efficient level of product support."

Beyond this, even further increases in productivity are likely to be needed. For the present demands stem from orders already won, but aviation continues to be a growth industry, and many more new orders are likely to be won in the early to mid 1980s as world airlines re-equip with improved, more fuel-efficient and quieter engines for the next 20 years.

These new orders will demand in turn further increases in productivity, which Rolls-Royce must meet if it is to remain competitive with the big U.S. engine companies, General Electric and Pratt and Whitney.

Meeting these demands will also take considerable additional amounts of cash—both in the development of existing and new engines, and in paying for the additional materials and labour that the increase in productivity will require.

This is why, earlier this week, Mr. Adam Butler, the Minister of State in the Department of Industry, announced in Parliament that the Government had approved the provision of a further £180m in cash support for the company during 1980.

Part of this money will cover the losses of the past year, and any incurred this year. But part of it will also be used to pay for the rising development costs of existing and any new engine programmes that airlines and airframe manufacturers may demand.

The cash will come from increased equity capital, reductions in the levies the company pays to the Government on every RB-211 engine sold, and borrowing from the private capital market. The precise amounts in each case have yet to be settled.

But Sir Frank reveals in the annual report that since the end of 1979, the company has arranged a private borrowing facility from undisclosed sources of about $300m (over £130m).

COMPANY NEWS IN BRIEF

ANCHOR CHEMICAL COMPANY—Results for 1979 reported April 25. Group fixed assets £1.28m (£1.26m). Net current asets £945,906 (£784,793). Meeting, Manchester, May 19, 11.30 am.

ASTBURY AND MADELEY—Results for 1979 already known. Group fixed assets £805,826 (£691,403). Net current assets £2.68m (£2.04m). Liquid funds decreased by £203,068 (£409,489). Chairman's emoluments £20,650 (£14,650). Meeting, Birmingham, May 20, noon.

WILLIAM BAIRD AND CO. (textiles, engineering and investment group)—Results for 1979 and prospects reported in full preliminary statement on April 17. Fixed assets £15.99 (£24.84m), current assets £69.3m (£47.6m) including short-term deposits £10.46m (£0.98m), current liabilities £42.39m (£32.96m); increase in working capital £13.04m (£1.5m). Meeting, Central Hotel, Glasgow, May 29 at noon.

BENFORD CONCRETE MACHINERY—Results for 1979 reported on April 18 in full preliminary report. Fixed assets £5.32m (£5.36m); net current assets £8.99m (£8.37m); net increase in funds £860,000 (£1.3m decrease). Chairman says improvement already noted in Bedford Limited's performance in the second half of 1979 has continued in 1980 and overall results so far are ahead of corresponding period last year. Meeting, The Cape, Warwick, May 23, noon.

BREEDON AND CLOUD HILL LIME WORKS—Results for January 31, 1980, year reported April 5. Group fixed assets £1.29m (£1.24m). Net current assets £794,804 (£639,424). Working capital increased by £396,146 (£137,810). Chairman says company has very sound financial and trading base which enables it to look forward with confidence. Meeting, Breedon-on-the-Hill, Lewis, May 23, 11 am.

GEORGE M. CALLENDER AND CO. (manufacturer and factoring of bitumen-based damp-proof courses, sheeting, roofing felts and insulating boards)—Results for 1979 already known. Fixed assets £1.42m (£1.22m); net current assets £1.02m (£610,456); increase in working capital £413,000 (£61,000). Historical pre-tax profits reduced from £927,783 to £681,000 on CCA basis. Chairman says part modernisation of company's factory at Poplar, London, is almost complete and cost economies will result. Trade in 1980 has so far been good and he hopes it will continue. Meeting, 109, Old Broad Street, EC, May 22, 11.30 am.

HORACE CORY AND CO. (chemical colour manufacturer)—Results for 1979 published April 16. Fixed assets £741,598 (£573,901); net current assets £1.3m (£1.23m). Increase in working capital £142,365 (£106,291 decrease). Meeting, 17 Southampton Place, WC, May 29, noon.

DRAYTON CONSOLIDATED TRUST—Interim 2p (same), for six months to March 31, 1980. Last year's total was 5p. First half pre-tax revenue £1,911,800 (£1,480,400). Tax £731,300 (£602,803). NAV per 25p share 198½p (at September 30, 1979 197½p). Gross revenue was £2,410,300 (£2,038,000) including £16,500 special dividend FM Shell.

FUNDINVEST—For half-year to March 31, 1980, pre-tax £243,548 (£255,211). Tax £114,335 (£91,231). Net asset value per capital shares 98p (121½p at September 30, 1979). Net interim dividend 1.787p (1.2p). Growth in revenue reflects benefit of exceptional dividend increases made by a number of companies. Rise in income should not be taken as an indication of the rate of increase for year as a whole, the directors say.

HARRIS AND SHELDON GROUP (luggage and travel goods, motor accessories and sporting guns). Results for 1979 reported March 14 in full preliminary report. Fixed assets £17.27m (£12.9m); net current assets £9.14m (£7.93m); increase in working capital £7.15m (£7.18m). Chairman believes 1980 could show some improvement in turnover and profits.

[...] 22, 3 pm.

JOHNSON GROUP CLEANERS—Results for 1979 published March 12. Current assets £10.95m (£8.96m), current liabilities £11.82m (£7.09m) including bank overdraft of £5.94m (£2.61m). Increase in working capital £2.82m (£1.11m). Chairman states that investment continues at a high level, and disposal of properties no lwonger required is being accelerated in order to limit bank borrowing. Meeting, Tower Hotel, London, May 22, at noon.

LONDON UNITED INVESTMENTS (insurance)—Results for 1979 reported April 22. Property and equipment £4.68m (£4.83m), premium on acquisition of subsidiaries £1.46m (£1.39m), investments £4.07m (£3.14m). Net current assets £2.61m (£3.33m). Chairman says considerable progress made in setting up recent acquisitions and new ventures, allowing company to take full advantage of opportunities as trade cycle moves out of recession. Meeting, Great Eastern Hotel, EC, May 21, noon.

NORTH ATLANTIC SECURITIES CORPN.—Results for half-year to March 31, 1980: interim dividend 1.75p (1.2p). Pre-tax revenue £801,225 (£582,823), tax £190,145 (£146,090). Net asset value per 25p share 123.25p (138.75p) and assuming full conversion of loan stock 119.25p (132.75p).

PHOTAX (LONDON) (photographic equipment manufacturer and importer)—Results for 1979 published April 16. Current assets £3.15m (£2.53m); current liabilities £1.45m (£1.13m); increase in working capital £423,014 (£278). Chairman states that on a relative cost basis, photography is well placed to take a bigger share of available consumer spending than at any time in the past. Despite lower unit prices, first-quarter sales are satisfactorily higher than in 1979. Meeting, Eastbourne, May 23, at noon.

H. AND J. QUICK GROUP (passenger and commercial vehicle dealer)—Results for 1979 reported March 25. Group fixed assets £2.95m (£2.64m); net current assets £2.56m (£2.07m). Bank balances nil (£0.86m). Increase in working capital £490,000 (£536,000). Chairman says first quarter's results compare favourably with the same period in 1979. Meeting, Manchester, May 19, 11 am.

RELYON (manufacturer of beds, mattresses, soft toys)—Results for 1979 already known. Net current assets £2.62m (£2.24m); increase in liquidity £51,663 (£9,789 decrease). Historical pre-tax £1.85m reduced to £1.35m on CCA basis. Chairman says he anticipates a modest fall in output during the current year. The first quarter's trading has been less buoyant than previously experienced. Meeting, Wellington, Somerset, May 23, noon.

SCOTTISH UNITED INVESTORS—Gross revenue for three months to March 31, 1980 £1,218,437 (£1,108,001). Net revenue £444,368 (£416,213) after tax etc. NAV per share 78.3p (78.5p at December 31, 1979).

SHARPE AND FISHER (builder's merchant)—Results for 1979 already known. Current assets £8.07m (£6.23m), current liabilities £5.03m (£3.55m). Increase in working capital £1.02m (£0.79m). Chairman is confident that if current trends continue, 1980 will be another successful year. Meeting, Golden Valley Hotel, Cheltenham, May 22, noon.

THE WICKMOOR DIVIDEND FUND—Final distribution on income units for period April 27, 1979 to April 24, 1980 will be 3.15p net per unit (2.85p); payable on June 10. The total for year 4.9p (4.6p).

JAMES WILKES (manufacturer of business forms and equipment)—Results for 1979 reported on March 21. Group fixed assets £1.51m (£1.38m). Current assets £4.11m (£3.43m); current liabilities £2.38m (£1.58m). Chairman says inflation and low overall profitability in 1979 will make company vulnerable to current high interest rates, but 1980 should show a recovery from temporary setbacks. Meeting, Bilston, West Midlands, May 20, [...]

Lockwoods falls in first half

DESPITE A substantial increase in sales, pre-tax profits of Lockwoods Foods, fruit and vegetable canner and meat packer, fell from £502,000 to £356,000 in the six months to November 30, 1979.

Profit margins have shown some improvement in the second half, say the directors, but the impact of higher interest rates and, above all, the steel strike which significantly obstructed production for some weeks, make it impossible to forecast the full year's result.

Consequently, they have decided to postpone for a further year the consideration of any interim dividend. Last year 4.30443p net per 25p share was paid from profits of £906,000.

A higher tax charge this time of £332,000 (£266,000) results from overseas losses which cannot be offset against UK tax.

There should be a significant reduction in stocks at the year end, the directors state.

J. Dykes asks for suspension

J. Dykes (Holdings), a Glasgow based upholstered furniture manufacturer, yesterday requested the suspension of its share listing "pending clarification of the company's position."

At the suspension price of 12½p the company is capitalised at £445,000. The directors and their families control over 43 per cent of the equity; Heathpark (Investments) has a stake of 24.78 per cent and Scottish Northern Investment Trust 8.47 ptr cent.

Dykes, which announced a pre-tax loss of £235,241 for the first half of 1980-81, has been sharply cutting back its operations in the wake of a number of adverse events last winter, notably the transport strike, coupled with intense competition.

As part of the cutback J. Dykes of Glasgow ceased its business as a supplier to the national retail trade.

M & S forms insurance offshoot

Marks and Spencer has formed its own "captive" insurance comany, called MS Insurance and is based in Guernsey.

It has a paid up capital of £150,000 and is managed by an insurance management company within Hill Samuel Group, the merchant banker with large insurance and investment management interests.

The company was formed after planning by Lowndes Lambert, part of Hill Samuel Group. The new company is designed to handle the business which Marks had previously self insured. But Marks has no intention of altering its existing arrangements extensively. Business will continue to be placed with the Prudential, while most of the reinsurances for the captive are to be handled by Mercantile and General, part of the Prudential.

Wilshaw in the red

On turnover of £703,014 against £694,333, Wilshaw Securities, manufacturer of hydraulic presses and equipment, reports a pre-tax loss of £43,654 for the six months to January 27, 1980. This compares with profits of £83,530 for the corresponding period and £178,220 for the last full year.

For the half year there was a tax credit of £15,000 (£43,400 charge), leaving the net loss at £28,654 against a profit of £40,130.

The directors say the first half proved very difficult and in the light of a reduction in orders it has been necessary to implement a programme of cost reductions throughout the company, which involved a number of redundancies.

At the same time the company is taking steps to find additional outlets for its production facilities to lessen dependence on the press side of the business which is so capital intensive.

In the circumstances until the board sees a strong recovery in industry it would be unwise to be optimistic in the context of the company, the directors state. "Suffice to say that with the continued support of the company's bankers the board is actively seeking orders for profitable work."

Announcement by The Association of Investment Trust Companies

Investment Trust Table Correction

In the Table published on page 25 on Saturday, 26th April, 1980, the headings to the columns were incorrectly stated and should have read:—

Cols. 1-5 As at the close of business on Monday, 21st April, 1980.
Cols. 6-9 Geographical spread at 31st March, 1980.
Col. 10 Total return over 5 years to 31st March, 1980.

CORAL INDEX: Close 443-448 (+2)

WORLD STOCK MARKETS

Wall St. regains early losses

AN EASIER start gave place to narrowly mixed movements in moderate trading on Wall Street yesterday, when stocks began to firm as the Credit Market resumed its rally, spending yields lower. Additionally, Citicorp cut its Prime Rate to 18½ per cent, joining most other major banks.

After shedding another 2.05 at 806.74, the Dow Jones Industrial Average firmed to 809.30 by 1 pm, a rise of 0.51 on the day and 5.72 on the week. The NYSE All Common Index held unchanged at $59.94, with a gain of 21 cents on the week. Volume decreased 2.09m shares to 20.84m, compared with 1 pm Thursday.

Analysts tied early softness to a big rise in April unemployment and to carryover selling from Thursday.

Joblessness rose to 7 per cent after hovering just above 6 per cent for several months and was the highest since August, 1977, again raising fears of a harsh recession.

Airlines firmed. UAL gained $¾ to $16⅛ despite news of a drop in April traffic. Delta Airlines rose $1¼ to $36xd, Eastern Airlines $¼ to $8¼ and Pan American $¼ to $4⅛ in active trading.

Boeing declined $1⅛ to $33⅞, McDonnel Douglas $1¼ to $27⅝ and General Dynamics $1⅞ to $62⅞.

Volume leader Great Atlantic and Pacific Tea added $¼ at $5⅜—blocks of 500,000 and 250,200 shares traded at $5. Burlington Industries advanced $1⅛ to $16⅜—a block of 100,000 shares moved at $16⅛ and another of 91,300 at $16⅜.

Howard Johnson climbed $1⅞ to $18⅞ in active trading—its pending takeover by Imperial Group of London is awaiting Regulatory approvals.

Liggett Group rose $2¼ to $47¾—it said it is in serious talks on its atkeover by a company other than Grand Metropolitan of London.

Inco lost $⅜ to $20⅞—it said an Ontario order may cut its Sudbury nickel output about 20 per cent.

Chrysler slipped $1⅛ to $6⅞—the Loan Guarantee Board deferred a decision on $15bn in Federal Loan guarantees until Monday. Ford Motor shed $¼ to $23⅛—it cut V-8 engine output until June at two plants.

THE AMERICAN SE Market Value Index gained 0.39 to 253.34, making a rise of 4.03 on the week.

Closing prices for North America were not available for this edition.

Canada

Markets were sharply higher in fairly active trading around noon yesterday, when the Toronto Composite Index climbed 10.7 to 1,885.7, and all sub-indices but Metals advanced.

The Oil and Gas Index put on 40.6 to 4282.9, Golds 8.5 to 2910.0, Utilities 4.14 to 240.08, Banks 3.73 to 309.54 and Papers 0.03 to 168.93. But Metals and Minerals lost 16.3 to 1766.5.

Switzerland

Prices closed higher on good overseas demand, due to the firmness of the Bond Market and of the Swiss Franc.

Easing Money Market rates and technical factors added to the upswing.

Market optimism also was earmarked by the large number of forward deals, and dealers noted that a lot of material was demanded in this business.

Germany

Prices slipped on a broad basis in very light trading, with operators reluctant to take new positions before the weekend.

Bundesbank's Wednesday decision to tighten credit by raising the Discount and Lombard Rates had some effect in souring both Stock and Bond Markets.

KHD were down DM 7 at 217.5 on an unchanged dividend but higher profits, and Daimler dipped DM 4 to 247 despite a higher dividend.

In lower Chemicals, Hoechst eased after a higher dividend and profits, and Mannesmann led Steels down DM 1.30 at 117.7 after an unchanged dividend and lower profits.

Amsterdam

Prices were generally lower in active trading. The Bond Market was lively as well, but issues lost an average 10 to 20 cents as a result of the Nederlandsche Bank raising its Discount Rate by one-half point the day before.

The local sector was generally lower, with Van Ommeren down Fl 4.50 at 241.50 as a result of profit-taking after its sharp increase earlier in the week.

Paris

French and Foreign share prices were mixed in light volume in the absence of any stimulus. Many operators were taking a long weekend after the May Day holiday.

Some signs of weakness were observed among Electricals, Mechanicals, Chemicals and Foods. But Banks, Portfolios, Stores and Publishing Houses were in demand.

Milan

Most prices closed marginally higher in slow trading.

Gains posted by a number of Insurance and Banking issues as well as by Italcementi and Ciga were chiefly due to technical factors and speculative activities.

Italcementi rose L180 to 20,000 on the Government decision to raise cement prices.

Tokyo

Prices closed higher in fairly active trading, led by "Big Capitals," with investors anticipating a further rise next week. Volume 750m (430m) shares.

Steels moved up sharply reflecting an increased crude steel production, with Nippon Steel up Y6 at 144, Nippon Kokan Y5 at 141 and Kawasaki Steel Y3 at 150.

Shipbuildings and Heavy Electricals also gained sharply.

Oils, Trading Houses, Shippings and some populars also firmed.

Dealers said share prices may rise further next week as they believe there will be an increase in Foreign buying following the recent yen appreciation against the dollar

Hong Kong

Prices recovered some early losses but still closed lower as selling pressure met little buying support in light trading.

The market reacted negatively to a decision by local banks to leave interest rates unchanged having previously anticipated a fall in line with U.S. rates.

Johannesburg

Trading in Gold shares became quiet and towards the close the trend was mixed with a firmer bias.

Stilfontein rose 100 cents to R18 after the annual report.

Mining Financials and other Metals were quiet.

Industrials were mixed to easier, while SA Breweries gained 5 cents to R3.05 ahead of next week's final figures.

Singapore

Mixed in another day of very quiet trading.

Industrials and Banks were seady, while Plantations and Properties were a bit easier. Most inetrest again centred on a few special situation third-liners because of various rumours.

Australia

Mining and Exploration stocks were weaker in sluggish trading.

Among Uranium issues, Peko-Wallsend shed 20 cents to A$6.90 but its ranger partner EZ Industries rose 8 cents to A$6.20.

Queensland Mines climbed a further 40 cents to A$7.50, while Kathleen Investments were 20 cents higher at A$6.30.

NEW YORK

Indices

CANADA

BELGIUM (continued)

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

HOLLAND

ITALY

NORWAY

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

BRAZIL

Spanish prices Page 26

De Beers has maintained its position as leader of the diamond industry but it is today much more than a diamond mining company

Extracts from Mr H F Oppenheimer's statement

The year 1979 was in some respects a difficult one for the diamond trade and the Company's results were, in the circumstances, very satisfactory. The Group's net attributable profit at R742 million was virtually the same as in 1978. The composition of the profit was, however, markedly different in that the diamond account, at R831 million showed a reduction of R125 million as compared with 1978, whereas interest and dividend revenue at R312 million as compared with R234 million showed an increase of R78 million and tax and lease payments to the State at R355 million were R50 million lower partly as a result of higher capital expenditure. The reduction in the diamond account is due partly to higher working costs and partly to the fact that there were less sales by The Diamond Corporation from old stocks held at low prices. In the main the increased revenue from investments reflects higher dividends from our major shareholdings in Anglo American Corporation and AECI as well as larger dividends from our trade investment in De Beers Botswana Mining Company. In these circumstances and in spite of difficult trading conditions a good start has been made in 1980 and deferred dividends were raised from 65 cents to 72.5 cents per share. Net current assets at 31st December 1979 after providing for the dividend amounted to R787 million.

The book value of the Group's investments and long-term loans increased during the year by R221 million to R784 million. The value of these investments and loans, was R2,304 million as compared with R1,073 million last year. After deducting those foreign loans that have been used for investment purposes and allowing for minority interests the total value of net investments, loan levy at R121 million and net current assets attributable to De Beers at 31st December was R3,011 million or 837 cents per deferred share as compared with 530 cents the previous year.

Market conditions

Throughout 1979 the demand for diamonds of one carat in weight and upwards remained strong and this has continued in 1980. Two price increases for large diamonds were readily absorbed by the market. The demand for the small sizes of diamonds however has been and remains weak. At the beginning of this year some improvement in market demand overall made itself felt but the rise in interest rates to unprecedented levels is likely to create increasing financing problems in the cutting centres where the holding of stocks has become extremely expensive and, as a result, the position has become more uncertain. Market conditions for the rest of the year will obviously depend to a large extent on developments in the American economy and we expect the weakness in the demand for small sizes to continue. In spite of these difficulties sales by CSO have so far been higher than last year and it looks as though the current level of sales is likely to be maintained for the rest of the year.

The market for industrial diamonds remained firm throughout the year. However, a reduction in the supply of natural industrial diamonds has forced a substantial swing away from natural to synthetic diamond in this field. Our industrial division was able to adapt itself successfully to these conditions and major expansion programmes are underway at the Group's synthetic diamond factories. The industrial diamond market continues to expand and we are well placed, both technically and commercially, to take advantage of this situation.

Diamond production by the Group amounted to 13,985,000 carats as compared with 11,995,000 carats in 1978. Of the increase of 1,990,000 carats, the Orapa mine in Botswana accounted for 1,637,000 carats and there was a substantial increase of 475,000 carats from Namaqualand. The CDM production, at 1,653,000 carats was down by 246,000 carats and further reductions in the output from this source must be expected over the years ahead. It is important, both for the diamond industry and for the emerging state of Namibia which last year received by way of tax and loan levy 64 per cent of CDM's mining profits, that the life of this property should be extended for as long a period as is economically possible and to this end a major prospecting campaign is in progress both within and to the north of the company's present mining area and in the offshore concessions of the Marine Diamond Corporation which are at present leased to CDM. CDM remains a very important contributor to the profits of the De Beers Group, though the proportion of total profits derived from South West Africa/Namibia, amounting in 1979 to 18 per cent, is less than it used to be in the past.

Expansion programme

The expansion programme at the Finsch mine is nearing completion. The new plant will be in operation in the middle of the year and production is scheduled to rise from the present level of slightly in excess of 2.5 million carats to approximately 4.5 million carats per annum. Excellent progress is being made in the development of the Jwaneng mine in southern Botswana. This is an exceptionally important project which is estimated to cost Pula 280 million to complete. The mine is planned to come into production in 1982 at a treatment rate of 4.8 million tons per annum. Revenue from diamonds is already a very important element in the national income of Botswana and will become very much more important when Jwaneng reaches full production. It is not too much to say that the interest of the government of Botswana in the stability and prosperity of the diamond industry is virtually as great as that of the De Beers Company itself and I am glad to be able to report that the relationship between the Government and the Company is smooth and co-operative.

We have over a number of years been pursuing a policy in regard to employment practices designed to eliminate all traces of racial discrimination in the affairs of the Company. The annual wage award made to mine employees in June of last year finally established a fully integrated wage scale for all employees, irrespective of race, in the Group mines in South Africa and South West Africa/Namibia, and earnings of unskilled mine employees are in excess of the supplementary living level established by the University of South Africa. In Botswana and Lesotho mine wages are negotiated and fixed in consultation with the governments of those countries.

Other investments

A feature of the accounts is the massive investments of De Beers in companies outside the diamond industry, and the important income which we derived from these diversified sources. During the year the book value of listed investments increased by R202 million which is largely accounted for by the acquisition of an additional 5 per cent in the capital of Anglo American Corporation, and an increase in our interest in Minerals and Resources Corporation (Minorco). Anglo American published excellent interim results and substantially increased its interim dividend. There is every reason to expect that its final accounts for the year will prove equally satisfactory. The interests of Minorco are for much the greater part outside South Africa, especially in North America and our investment in this growing company provides a desirable measure of diversification in our holdings. Minorco has interesting prospects before it which will be actively pursued. By the year end we had acquired an interest of just under 5 per cent in Consolidated Gold Fields Limited and after the year end we increased this interest to approximately 25 per cent and sold half of the total to Anglo American. Consolidated Gold Fields which is based in Britain is a widely diversified and efficiently managed company with important interests in Britain, South Africa, the United States and Australia. This large investment in Consolidated Gold Fields will further strengthen and diversify our portfolio.

While the outlook for the diamond industry is not without its problems, it is on the whole satisfactory and this, taken together with our growing diversified holdings in other businesses, gives good reason to expect satisfactory results for the present year. De Beers has successfully maintained its position as leader of the diamond industry but it is today very much more than a diamond mining company. It has therefore achieved a greater solidity than ever in the past.

THE CENTRAL SELLING ORGANISATION and the diamond industry

Most of the world's rough diamonds pass through the London offices of the Central Selling Organisation (CSO). A group of specialist diamond marketing companies associated with De Beers, the CSO is effectively a producers' co-operative.

Substantial financial resources coupled with technical and administrative expertise enable the CSO to provide the best outlet for producers' diamonds whatever the state of demand. These diamonds, which include De Beers' production, are sold by the CSO at a rate the market can absorb.

On arrival in London the rough diamonds are sorted and valued into some 3,000 different classifications by size, shape, colour and quality. Over 400 specialist sorting staff are assisted by computer-linked machines developed by the CSO, although the more intricate preparations necessitate individual hand-sorting.

Industrial diamonds are sold separately while the rough gems are offered for sale ten times a year at "sights". Before each sight the clients—from the cutting centres—submit their requirements which are matched by the CSO as far as possible. It has long been recognised that fluctuating economic conditions are the cause of the cyclical movement in demand for rough diamonds, thus the CSO's matching of supply with demand helps to ensure market stability. Rough diamonds for which there is temporarily no call are held in stock.

On reaching the cutting centres the diamonds undergo the highly skilled techniques of cutting and polishing before being sold to wholesalers and jewellery manufacturers and finally arrive at the retail jeweller. De Beers maintains international promotional activities for diamond jewellery.

De Beers

De Beers Consolidated Mines Limited

De Beers Consolidated Mines Limited
Incorporated in the Republic of South Africa

For the full Report & Accounts for 1979 including the Chairman's Statement, please send this coupon to: The London Secretaries, Room 65, 40 Holborn Viaduct, London EC1P 1AJ

Name ____________________
Company ____________________
Address ____________________

INTERNATIONAL COMPANIES and FINANCE

Record first quarter for Matsushita

BY YOKO SHIBATA IN TOKYO

MATSUSHITA ELECTRIC Industrial of Japan opened its fiscal year on a firm note. Consolidated sales and net earnings for the first quarter, ended February 20, set records as a result of buoyant exports of video tape recorders (VTRs) and significant improvements in export profitability due to the depreciation of the yen.

Matsushita's consolidated net earnings for the first quarter jumped by 34 per cent to Y26.09bn ($109m) on sales of Y641.73bn ($2.7bn), up 21 per cent over the corresponding period in the previous year. Earnings per share were Y22.20, compared with Y16.76 a year before.

The strong sales performance was achieved mainly overseas; *the company's exports plus* the sales of *four* consolidated subsidiaries overseas (in the U.S., Taiwan, Singapore and Malaysia) soared by 49 per cent to Y239.31bn. VTRs were among the strongest export products, with the major markets being in the U.S., Eurpoe and the Middle East. Overseas sales of VTRs jumped by 93 per cent over a year earlier to Y52.1bn, while domestic sales of VTRs rose by 25 per cent to Y21.4bn. Colour TV exports, mainly to the Middle East, also increased sharply by 39 per cent to Y43.7bn, despite sluggish domestic sales

The considerable improvement in export profitability as a result of the depreciation of the yen was a prime contributor to the strong gain in net earnings. At the beginning of the fiscal year the company fixed its exchange rate for the first six months at Y230 per dollar. However, the yen depreciated further in the first quarter, and this generated exchange gains of Y3.8bn.

The company covered increases in raw material prices by rationalisation measures and the expansion of production of goods of high added value. overseas demands for VTRs and colour TV sets in prospect for the current half-year ending May 20. Matsushita expects that its interim consolidated sales and earnings will exceed the original estimates of Y124bn and Y51bn for net profits.

Raw material costs hit profits at Kao Soap

By Charles Smith in Tokyo

KAO SOAP, Japan's largest detergent manufacturer, suffered a 9.8 per cent decline in operating profits for the 12-month business term ended March as a result of raw material cost increases. The profit decline was the first in four years, and occurred despite a substantial rise in sales.

Kao's sales of soaps and shamposs for home use during the year rose by 12.5 per cent to Y203.9bn ($850m), while sales of industrial products rose 26 per cent to Y41.7bn. Operating profits, however, fell to Y8.8bn ($37m) from the previous year's level of Y9.79bn, reflecting higher yen-denominated prices for palm oil and heavy fuel oil.

Kao's surplus on financial transactions also deteriorated during the year from Y450m in 1978 to Y76m. This was the result of an increase in bank borrowing.

With materials costs still running at high levels, Kao forecasts a further small decline in profits during the first half of the current year

FCB expands in West Germany

BY LESLIE COLITT IN BERLIN

FOOTE CONE AND BELDING has become the first international advertising agency to establish itself in West Berlin, taking a 45 per cent interest in the Uniconsult Agency, which ranks among its clients Gillette Deutschland, Deutsche Industrieanlagen, and the City of West Berlin. FCB last year had a worldwide turnover of $916.6m, while Uniconsult had billings of DM27.4m ($15.2m).

Although FCB is the ninth largest advertising agency in the U.S., it ranks 12th in West Germany, which Mr. Eduard Grosse, chairman of FCB International, pointed out is the world's second largest advertising market.

The West Berlin presence will be the third West German office for FCB, after Frankfurt and Hamburg, which provided a turnover last year of DM143m.

Herr Uwe-Jens Zimmermann, who remains managing director of Uniconsult, explained that the top 15 West German agencies are American controlled. "It's totally unlike West German industry, where you have major German firms operating worldwide. The impact of the American advertising companies here is probably greater than in any of the other large European countries."

When a German advertising agency reaches a certain size, it finds that in order to serve its West German clients who are expanding around the world it usually has to join forces with one of the major American agencies.

In addition to its other clients, Uniconsult also brings in the accounts of Berliner Bank, Kaiser Aluminum i n Germany, Borsig Engineering, Berliner Kindl Brewery, and Eternit.

Herr Zimmermann said that he hoped the merger would induce some of the large companies in West Berlin which have their factories in the city but which maintain their headquarters in West Germany, to place their advertising accounts with Uniconsult. Over the next few years, he noted, FCB will be assuming the work Uniconsult has done on behalf of the City of Berlin and its travel office in the U.S., where it has embarked on an expanded public relations campaign.

Swiss brewer out of red

By Our Zurich Correspondent

HAVING operated at a loss for four years, the leading Swiss Brewer Sibra has returned to profits in the year ended September 30 with a consolidated figure of SwFr 4.4m ($2.62m). The company is to resume dividend payments with SwFr 4 a share.

Sibra, which omitted dividends in the two previous years, recorded a 31.8 per cent improvement in cash-flow to SwFr 21.3m. There was no need for exceptional depreciation, which in 1977-78 had absorbed SwFr 13m.

Turnover went up by 3.15 per cent to SwFr 242.9m. A slight decline in beer sales was offset by increased sales of soft drinks and mineral water.

Growth at Credit Suisse

BY JOHN WICKS IN ZURICH

CREDIT SUISSE, one of Switzerland's big three banks, raised its balance sheet total by 9 per cent to SwFr 60.4bn ($36.2bn) during the first quarter of 1980.

The bank recorded a notable rise in inter-bank business. Its due-from-banks total rose by 25.1 per cent to SwFr 17.44bn ($10.47bn) during the three months and the sum due to banks improved by 14.2 per cent to SwFr 19.53bn.

No profit-and-loss figures are given but Credit Suisse stresses that cost increasesh have been kept within büdget. Interest margins, have continued to narrow and the stock market value of the bank's bond holdings has fallen. But the bank reports "exceptional" profit improvements from foreign-exchange and precious-metal trading. Stock exchange dealing also earned more.

At the same time, the Zurich-based Bank Leu reports a rise in balance-sheet total in the first quarter by 8.3 per cent to SwFr 5.68bn ($3.39bn). This is attributed to the marked increase in time deposits following the rise in short-term interest rates. Sight deposits rose by SwFr 102m which much more than made up for a SwFr 55m decrease in non-banks' sight accounts. On the assets side, the due-from-banks total jumped by SwFr 175m and total lendings by SwFr 334m.

Sacilor turns in increased deficit

By Terry Dodsworth in Paris

SACILOR, the second largest of the two big French State-controlled steel companies, slid further into losses last year as it shouldered the main burden of the costs for its wide ranging reorganisation plan.

The deficit rose to FFr 1.4bn ($333m) against FFr 1bn in 1978. But the company explained that the main reason for this deterioration lay in special charges set against profits, and added that it still hoped to balance the books this year.

Abnormal expenses were incurred last year both in investments tied to the restructuring of the group and in making provisions for the extensive redundancy programme. Some FFr 280m has been set aside to fund these redundancy payments, which affect some 8,000 workers at Sacilor.

Aside from the special provisions, Sacilor says that its operating losses went down last year to FFr 794m from FFr 1.1bn on the same accounting basis in 1978. This result was struck after charging *FFr 387m* for depreciation.

The improvement was less than the company had been hoping for. Last year it forecast that it was likely to halve its operating deficit, but it has fallen short of this target mainly because of a long strike at the Fos steel works and the weakness of some parts of the steel market.

Belgian stores group ahead

By Our Financial Staff

HIGHER profits and an increased dividend are announced by GB-Inno-BM, the Belgian stores to restaurants group.

After a slightly lower charge for depreciation, net profits for 1979 are a tenth higher at BFr 790m ($27.2m) and the dividend is going up to BFr 305 a share from BFr 277.

GB-Inno is a leading retailer in Belgium with 37 department sores, 146 supermarkets and 57 hypermarkets.

SEC studies proposal to tighten commodity dealing

NEW YORK—The U.S. Securities and Exchange Commission (SEC) is considering proposing *a rule that would require securi*ties houses to set up separate companies for their commodities operations, so that commodities market reverses would not jeopardise the securities company itself.

The disclosure was made by Mr. Harold M. Williams, the chairman of the SEC. He acknowledged that the possible proposal sprouted in the wake of the near-disastrous effects that the recent tumble in silver prices had on Bache Halsey Stuart Shields, a major broker-dealer unit of Bache Group.

The idea becomes part of an overall *SEC study of possible* changes in brokerage houses capital regulations. The basic study, as previously reported, began more than a year ago and could result in several changes, most of them technical, to capital rules as they relate to securities operations.

However, the collapse late last March insilver prices added a major new dimension to the study, Mr. Williams admitted.

Many securities houses have sizeable commodities operations where trading and credit risks incurred by the firms themselves and by speculating *customers could have a pro*found effect on a firm's capital should customers' debts suddenly turn sour.

Such problems occurred in March when the Hunt Brothers could not meet a $100m call for more collateral on their silver speculations from three Bache Group units. The Hunts subsequently paid off all but some $10m of the debt, including all they owed to *Bache*.

The SEC *suspended* trading in the stock of the Bache Group parent for three days.

Mr. Williams *said* that by requiring securities firms to create separate units for commodities operations, the firms "would not have the same capital exposure." He acknowledged that under such an organisation, regulation of all facets of such commodities operations clearly would become the province of the Commodity Futures Trading Commission.

The chairman noted that the SEC still would have the ulti*mate responsibility* of regulating trading in the stock of a parent company having securities and commodities units. Many major firms are structured on such a holding-company pattern.

AP-DJ

Thomson pays $60m for U.S. publisher

By Our Financial Staff

INTERNATIONAL THOMSON, the Canadian holding group for the Thomson family interests, plans to buy Warren, Gorham and Lamont, and its associated publishing interests—the WGI group, located in Boston and New York—for $60m cash.

WGI specialises in publishing professional books, newsletters, textbooks and journals primarily in the fields of *taxation, banking*, law, real estate and accountancy in the U.S.

In recent years, the group has invested heavily in developing new periodicals which are expected to boost earnings *substantially*. In the year to March last, WGI turned in earnings of £11m.

Chesebrough–Pond's expects peak results

NEW YORK — Chesebrough-Pond's, the cosmetics and toiletries group, expects record sales and earnings in 1980, Mr. Ralph E. Ward, chairman and president, told shareholders at the annual meeting this week.

The company said it felt comfortable with analysts' estimates of earnings of $2.90 to $2.95 a share. Last year the company earned a record $2.66 a share on sales of $1.17bn.

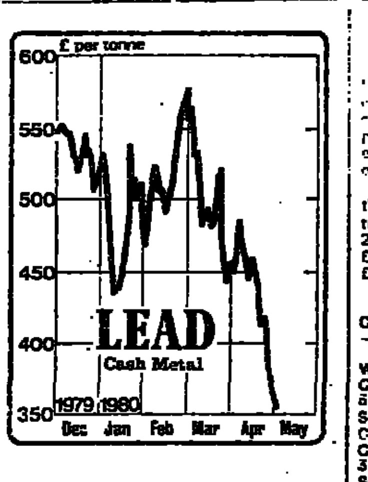
The company also said its health and beauty products division's operating profits have been off marginally.

Reuter

COMMODITIES/REVIEW OF THE WEEK

Lead prices tumble as shortage eases

BY OUR COMMODITIES STAFF



LEAD PRICES tumbled to the lowest level since September, 1978 on the London Metal Exchange yesterday. Cash lead lost £61 to £352.5 a tonne moving to a discount below the three months quotation which fel by £49.25 to £361.5.

A significant feature of the market is that the shortage of nearby supplies—which had been an important influence in boosting prices — has disappeared for the time being at least, with no sign yet of the Russians re-emerging as significant buyers.

Considerable downward pressure has resulted fro ma fall in demand for lead, particularly in the U.S., where producers have been cutting their domestic prices.

A further price reduction of 4 cents to 36 cents a pound was announced yesterday by Asarco, one of the leading U.S. producers. The impact was muted by news that Boliden, the Swedish proudcer, was cutting deliveries as a result of a strike halting its lead and copper output.

Copper prices also suffered a severe setback this week. Despite rallying yesterday on forecasts of another fall in warehouse stocks, cash wirebars ended the week £52.5 down at £899.5m a tonne.

The market is now back at the level it was prior to the sudden boost in prices which followed the abortive U.S. rescue attempt in Iran. Basic supply-demand influences have reasserted themselves, and at the moment prospects look none too good for copper.

Already U.S. producers have been forced to lower domestic copper prices by a drop in demand, and consumption could be further hit by a decline in industrial activity.

Copper has also been influenced by the decline in the gold and silver. hTese markets were unsettled by the revelations at the Congressional subcommittee hearings on silver and, in particular, by suggestions that the Hunt brothers would have to dispose of their silver holdings under the terms of loans being arranged for them by a group of U.S. banks.

Among other metals, zinc eased as more producers cut their European price from $825 to $780 a tonne. Aluminium and nickel prices were also lower, but tin held steady

Cocoa prices continued their recent sharp decline, with trading in nearby ftures positions on the London market below £1,200 a tonne for the first time since August, 1976. The July quotation fell yesterday to £1,199 a tonne, taking the decline on the week to £81.5.

The latest fall was encouraged by the publication of a new report by London merchants Gill and Duffus, which forecasts a 134,000-tonnes surplus—17,000 tonnes higher than in its previous report. Further encouragement for the "bearish" trend came later in the week with the publication in New York of a report by Acli International forecasting more price falls.

Reports of Nigerian selling also influenced the decline.

UK cocoa grindings figures for the first quarter, already delayed by three weeks because some manufacturers have not sent in their returns, are not likely to be published for a week at the earliest, the Ministry of Agriculture said yesterday. London traders expect the figures to show a fall of 10 to 15 per cent compared with the same period last year

Coffee prices fell sharply on Monday, then recovered steadily. After a £38.5 rise yesterday the July position closed £28.5 up on the week at £1,696 a tonne.

Sugar prices also moved higher, with the London daily raws price ending £22 up at £266 a tonne

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£710	£810/815	£760/70
Free Markets c.i.f.	$1,840/1,870	−50	$1,580/600	$2120/2260	$1750/1800
Antimony					
Free Market 99.6%	$3,450/3,460	—	$3,060/100	$3,435	$3200/3300
Copper Cash Wire Bars	£899.5	−52.5	£1,007	£1,372	£891
3 months Do. Do.	£932.5	−50.5	£1,006.5	£1,376.5	£912.5
Cash Cathodes	£884	−40	£999	£1,316	£860.5
3 months Do	£903.5	−50.5	£998.75	£1,343.5	£889.5
Gold per oz	$512.5	−38	$244.875	$835	$473
Lead cash	£352.5	−61	£579.5	£579	£352.5
3 months	£361.5	−49.25	£532.5	£471.5	£361.5
Nickel	£3,355	−122	£2,750.09	£3,477	£3,195.78
Free Market c.i.f. lb.	275/305c	..	266/90c	315/345	270/310c
Platinum per oz.	£189/193	—	£159	£195	£189
Free Market per oz.	£244.25	−24.7	£195.65	£466.6	£230
Quicksilver (76lbs.)	$395/405	−5	$270/80	$405/415	$375/380
Silver per oz.	579.0p	−100.2	369.55p	2,165.05p	530.4p
3 months per oz	599.0p	−102.2	378.95p	2,185.85p	552.30p
Tin cash	£7,787.5	+95	£7,540	£8,350	£7,235
3 months	£7,635	+40	£7,185	£8,385	£7,167
Tungsten Ind	$140.73	..	$137.42	$141.56	$137.75
Wolfram (22.04 lb)	$138/143	−2	$135/40	$147/151	$129.50/134
Zinc cash	£295.875	−16.125	£386	£400	£295.875
3 months	£307.125	−15.615	£397.25	$415.5	£307
Producers	$780/825	—	$800	$825	$780
GRAINS					
Barley					
Home Futures	£91.50	+0.40	£87.65	£101.65	£89.95
Maize					
French No. 3 Yellow (Amer.)	‡	—	£112	£119	£116
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	‡	—	‡	£105	£92.75
Eng. Milling (new crop)	‡	—	£101.5	‡	‡
SPICES					
Cloves (g)	£4,175w	—	£3,950	£4,175	£3,870
Pepper, white	$2,500w	—	$2,659	$2,825	$2,500
" black	$1,700w	—	$1,700	$2,025	$1,700
OILS					
Coconut (Philippines)	$570x	—	$1,100	$926	$570
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£400	—	£411	$464	£368
Palm Malayan	$505v	—	$670	$725	$505
SEEDS					
Copra (Philippines)	$365	..	$735	610	$365
Soyabeans (U.S.)	$261.65t	−3.75	$307	$304	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,240	−81	£1,662	£1,540	£1,240
F'ts 2nd psn.	£1,199	−81.5	£1,606	£1,515.5	£1,199
Coffee Futures July	£1,696	−28.5	£1,579	£1,702.5	£1,479
Cotton Index	89.10c	−8.60	74c	98.40c	83.85c
Des. Coconut	£715	—	£725	£740	£700
Jute LJ ABW C grade	£216yv	—	$492	£226	£216
Rubber kilo	63p	−1	60.35p	90p	62p
Sago Pearl	£204w	—	£188	£216	£204
Sisal No. 3 L	$895	—	$625	£885	£885
Sugar (Raw)	£266	+22	£97	£287	£164
Tapioca No. 1	£202w	—	£184	£221	£202
Tea (quality) kilo	138p	—	125p	160p	134p
" (plain) kilo	59p	—	78p	64p	55p
Wooltops 64s Warp	292p kilo	−2	284p kilo	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Aug./Sept. (t) June. (w) May/June. (y) June/July. (v) July.

[illegible] METALS

[illegible]—Firmer in morning only [illegible] on the London Metal Exchange [illegible] metal opened at £916 and [illegible] moved up to touch £926 on pre-weekend short covering before easing to close the kerb at £921. Turnover [illegible] 925 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £922, 24, 25, 26, 25, 24, 23, 20, 19, 20, 21, 22. Cathodes, cash £86, 85. Kerb: Wirebars, three months £921, 20, 19, 20.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	899-900	+5	—	+6.5
3 months	922.3	+6.5	--	+9
Settlem't	900	+5	—	..
Cathodes				
Cash	883.5	+8	—	-8
3 months	902.5	+9	—	+4.5
Settlem't	885	+8	..	...
U.S. Prod	—	..	*90-96.25	..

TIN—Quietly firm for forward metal although forecasts of a rise in stocks caused a minor decline in cash material. The rise at Penang prompted modest buying of three months metal which moved up from £7,600 to close the kerb at £7,630 with the backwardation narrowing of £160. Turnover 290 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7785-90	-12.5	--	-7.5
3 months	7740-60	—	—	+55
Settlem't	7790	-20	—	.. ..
Standard				
Cash	7785-90	-7.5	—	-7.5
3 months	7630-40	—	-	+20
Settlem't	7790	-10	—	..
Straits.E.	$2300	+12	—	
NewYork	—	..	..	

Morning: Standard, cash £7 790, 85, three months £7,620, 25, 30, 20, 25. Kerb Standard, three months £7,630

LEAD—Lost further ground. The producer price cut announced late on Thursday evening by Asarco prompted renewed selling despite forecasts of a decline in stocks. This selling depressed forward metal to a low of £356 before a late rally to £358. Turnover 4,550 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	352-3	-16.5		-8.5
3 months	361-2	-14.5		-7
S'ment	353	-17		
U.S. Spot	—	....	*36.40	-.8

Morning: Cash £354, three months £364, 63, 61, 60, 61, 62, 60, 62, 63, 62, 61, 62. Kerb: Three months £360, 61, 60, 59, 60, 58

ZINC—Barely changed in quiet trading. The market moved narrowly, reflecting lack of interest, with forward metal finally £308 on the kerb. Turnover 2,850 tonnes

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	295.5	-6.25	—	-.877
3 months	307	-1.25	--	-.125
S'ment	296.25	-.75	--	
Primw'ts	--	..	*37.5	...

Morning: Three months £308, 7, 7.5, 7, 8, 7, 6.5, 7. Kerb: Three months £309, 8, 10, 8

ALUMINIUM—Lower on general selling triggered stop-loss selling. Forward metal opened around £805 but subsequently declined to end the kerb at £795. Turnover 3,456 tonnes

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	125.7	-4.5	..	-2
3 months	802.5	-2	-	-3.5

NICKEL—Marginally easier in quiet and routine trading with forward metal finally quoted at £2,722.5 on the kerb. Turnover 204 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2825-40	+7.5	—	-10
3 months	2730-40	-18	—	-10

* Cents per pound. $ SM per picul. † On previous close.

Morning: Three months £2 740, 35. Kerb: Three months £2,735

SILVER

Silver was fixed 48.6p an ounce higher for spot delivery in the London bullion market yesterday at £5 79. U.S. equivalents of the fixing levels were: spot $13.1, up $1.1; three-month $13.476, up $1 056; six-month $13.805, up $1.054; and 12-month $14.821, up $1.156. The metal opened at £5.4-£5 75 ($12¼-$13) and closed at £5.5-£5.85 ($12½-$13¼).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	579.0p	+48.6	560.0p	-15.5
3 months	599.0p	+46.7	582.5p	-16
6 months	520.5p	+46.9	--	....
12months	665.5p	+61.5	—	.....

LME—Turnover 196 (251) lots of 10,000 ounces. Morning: three months 595, 90, 95, 90, 85. Kerb, three months 581, 83, 85, 82.

COCOA

After opening at new contract lows short-covering lifted values to £15 above Thursday's close in thin trading conditions. Reviewed selling by commission houses during the late afternoon pared earlier gains for prices to close unchanged from the previous day. Physical business was scarce, reports Gill and Duffus.

COCOA	Yest'rdays Close	+ or —	Business Done
May	1175-80	—5.0	1190-76
July	1198-1200	—2.5	1215 1194
Sep.	1224-28	—0.50	1239-18
Dec.	1276-80	—1.0	1290-74
March	1316-20	+0.50	1322-10
May	1344-48	+3.50	1349 42
July	1364-77	+8.0	1379-70

Sales, 1 464 (3,679) lots of 10 tonnes

COFFEE

Robustas opened sharply higher to reflect a strong New York performance but there were no fresh features during a relatively quiet morning. Afternoon trading was much the same, however shortly before the close values began to move higher with heavy producer involvement and buying orders prices finished a busy last session on *the days highs, reports Drexel, Burnham, Lambert.*

COFFEE	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
May	1642-43	+44.0	1640-20
July	1695-97	+43.5	1698-75
Sept.	1732-38	+41.5	1636-14
Nov	1736 38	+32.5	1640 25
January	1735 38	+34.0	1639 28
March	1680-1718	+44.5	1680
May	1660-1710	+34.5	—

Sales, 4,164 (2,961) lots of 5 tonnes

ICS Indicator prices for May 1 (U S cents per pound) Other Mild Arabicas 179 33 (176 83); Robustas ICA 1976 165 88 (164 75); ICA 1968 166.13 (165 0) Unwashed Arabicas 208.00 (same). Comp. daily ICA 1968 186.18 (185 06).

GRAINS

WHEAT Mnth	Yesterday close	+ or —	BARLEY Yesterday close	+ or —
May	92.00	—0.80	91.20	—0.20
Sept.	93.70	.....	91.35	+0.15
Nov.	97.40	+0.05	95.25	.....
Jan.	101.25	....	98.90	.....
Mar.	104.45	....	102.25	.....

Business done—Wheat: May 92.65-91 90, Sept 93.65-93 50, Nov. 97 35-97.20, Jan 101.25-101 0, March 104.25-104 20. Sales 99 lots of 100 tonnes. Barley: May 91 10-90 75, Sept 91 45-91.10, Nov 95 25-95 00, Jan 98.65-98 65, March 102 25-102.05. Sales 112 lots of 100 tonnes.

LONDON GRAIN FUTURES—The market opened 10p lower on old crops and unchanged on new crops. Considerable selling pressure eased values on the May wheat to close 90p lower in thin volume. May barley saw losses of 45p but rallied to close 20p lower on the day. New crops eased slightly but values closed steady, unchanged to 5p higher on wheat and unchanged to 15p higher on barley, reports Acli.

IMPORTED—U.S. Dark Northern Spring No. 2 14 per cent May 93.25, June 93.25, July 93.75 transhipment East Coast. English Feed fob May 98.50, June 99.50 quoted East Coast. Maize: French May 117, June 118 East Coast. S. Afr. Yellow May/June 80.00. Barley: English Feed fob May 97.50 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Midlands 92.00, N. East 91.60, Scotland 90.80. Other milling wheat: Eastern 96.80.

RUBBER

The London physical market opened easier with little interest throughout the day, closing on an uncertain note. Lewis and Peat reported a Malaysian godown price of 301 cents a kg (buyer, May).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
June	63.60-63.80	63.50-64.50	64.00
July	64.50-65.00	64.70-64.90	—
Jly.-Sept.	66.00-66.20	65.90-66.10	66.20-65.50
Oct-Dec	69.70-69.80	69.90-70.00	70.00-69.00
Jan-Mar	72.40-72.60	72.60-72.70	72.50-72.00
Apr-Jne	75.40-75.60	75.50-75.40	—
Jly.-Sept	78.10-78.40	78.20-78.50	..
Oct-Dec	80.80-81.00	81.10-81.20	80.60-80.20
Jan-Mar	85.50-83.90	85.80-84.00	85.40

Sales: 280 (368) at 15 tonnes, 2 (7) at 5 tonnes

Physical closing prices (buyers) were: Spot 63.00p (63.50p); June 66.25p (66 50p); July 67.00p (67.25p).

SOYABEAN MEAL

The London market opened 30p easier in fairly thin trading and very quiet cash markets, and remained steady throughout the day closing at opening levels, reports T. G. Roddick

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	107.80-07.8	—0.55	107.70
August	107.60 07.7	—0.50	107.80 07.10
October	105.40-05.6	—0.20	105.20
December	108.50 08 7	—0.15	108.20
February	111.60-11.7	—0.25	111.60-11.20
April	114.00-14.6	+0.25	114.00
June	116.00-16.8	—0.55	—

Sales: 45 (12) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £266.00 (£254.00) a tonne cif for May-June shipment. White sugar daily price was £272 00 (£262.00)

The increase in the LDP to £266 stimulated shortcovering which lifted Aug. to 288 75 but the highs were soon lost and prices eased back some £3 00. Later, however, all the losses were quickly recovered following improving New York quotations and the market closed at the highs of the day, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	270.00 71.00	264.00-64.50	270.00 65.00
Aug.	289.50-90.00	281.85-81.50	290.00-80.50
Oct.	297.50-97.75	289.00-90.00	298.50-88.75

Sales: 7,132 (9,219) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only) Aug. 291 00, 292 50; Oct. 298.50, 299.00; Jan 302 00, 303.00; March 310 50, 311.00, May 312 05, 312.75; Aug 315 00 318.00.

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £353.50 (£344.00) for export

International Sugar Agreement (U S. cents per pound fob and stowed Caribbean port) Prices for May 1, Daily price 23 94 (23 30): 15-day average 22.29 (22.05).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. May 422.0, 424.0, 423.0-421 0, 54; July 426.0, 427 0, 428.0-425 0, 178; Oct. 428 0, 429.5, 430.5-427.5, 137; Dec. 433.0, 435.0, 438.0-434.0, 100; Mar. 443 0, 444 5, 447.0-443.1, 51; May 445 0, 447.0, 448.0-445 0, 28; July 449.0, 450 0, 452.0-450.0, 18; Oct. 450.0, 468.0, —. Sales 604.

AMERICAN MARKETS

NEW YORK, May 2.

THE LIVESTOCK complex was mixed in cattle and hogs on a general lack of demand in the live markets which increased product interest and rallied pork bellies. Gold and silver were were on good short covering ahead of the weekend and on expectations of an orderly liquidation of Hunt's silver holdings. Copper firmed on sympathetic buying with gold. Coffee was higher on commission house buying prompted by reports of a cold front developing in Argentina, while cocoa rose on short covering. Sugar was limit up in most months on bullish fundamentals. The grain and soyabean complex was higher on short covering, reported Heinold.

Potatoes (round whites)—Nov. 71.8-72.3 (70.5). Sales : 74.

Sugar—No. 11: July 27 35-27 40 (26.35), Sept. 27.53 (26.53), Oct. 27.81, Jan. 28.45, March 29 12-29.15, May 29 13-29.20, July 29.30, Sept 29.50-29 80, Oct. 29.75-29.80. Sales : 13,850.

Tin—798 00-815.00 asked (802.00-807 00)

CHICAGO, May 2

Lard—Chicago loose 18.00 (18.25). New York prime steam 19.50 (19.75).

Live Cattle—June 63.65-63 45 (64.12), Aug. 62.85-62 65 (63.12), Oct. 61.55-61 45, Dec. 62 10-61 90, Jan. 63 10, Feb. 63 20, April 63 00.

Live Hogs—June 33.90-34.05 (34.45), July 35 20-35 15 (35 50), Aug. 34 65-34 25, Oct. 35 50-35.40, Dec 38 40-38 30, Feb 41 60, April 40 90, June 44 30, July 45.25.

††Maize—May 269-268½ (266¼). July 278½-278¼ (277¼), Sept 288¼-288½, Dec c.296½-296¼, March 308¼-308, May 315¾.

Pork Bellies—May 31.60-31.75 (31.20), July 33 00-32 90 (32.55), Aug. 32 67-32.55, Feb. 47.95, March 47.90, May 48.45, July 49.40, Aug. 48.40.

Silver—May 1370.0 (1250.0), June 1360.0 (1320.0), July ——, Aug. 1395.0, Oct. 1430.0, Dec. 1465.0, Feb. 1499.0, April 1533.0, June 1567.0, Aug. 1601.0, Oct. 1635.0, Dec 1665.0, Feb. 1695 0, April ——, June ——, Aug. ——, Oct ——.

†Soyabeans—May 595½-596 (590½), July 615-616 (609½), Aug. 624½-625, Sept. 634½, Nov. 648½-649, Jan. 665, March 681, May 693.

‖Soyabean Meal—May 165.3-165.5 (164.1), July 172.0-172.5 (171.7), Aug. 176.0-175.9, Sept. 178.8, Oct. 181.5, Dec. 185.5-185 8, Jan. 188.0, March 192.8-193.2, May 196.0-197.0, July 200 5-201 0.

Soyabean Oil — May 20 00-19 95 (19.77), July 20.53-20.50 (20.36), Aug. 20 77-20 80, Sept. 21.00, Oct. 21 20-21.25, Dec. 21.65, Jan. 21 75, March 22 15-22.20, May 22.45-22.50, July 22 75-22 85.

†Wheat—May 392 (385), July 402½-404 (399), Sept. 418-419, Dec. 436-437, March 451, May 457.

WINNIPEG, May 2. §Barley—May 112.80 (112.20), July 116.00 (115 00), Oct 116 30, Dec. 115.70, March 115 70.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. †† Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. ¶¶ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

May 1	Apr. 30	M'nth ago	Year ago
274.01	275.67	285.90	277.01

(Base: July 1, 1952=100)

MOODY'S

May	Apr. 30	M'nth ago	Year ago
1113.7	1115.5	1119.6	1053.9

(December 31, 1931=100)

DOW JONES

Dow Jones	May 1	April 30	Month ago	Year ago
Spot	422.34	416.44	410.08	393.29
F'tur's	425.73	422.72	425.75	397.32

(Average 1924-25-26=100)

REUTERS

May 2	May 1	M'nth ago	Year ago
1686.3	1680.8	—	1565.8

(Base September 18 1931=100)

MEAT/VEGETABLES

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Vernas 4 0-4 35, Bloods 3 30-3 80; Jaffa: Valencia Lates 55/138s 4 40-5 60. Egyptian: Valencia Lates 75/125s 3.00-3 20. Moroccan: 56/113s 4 20-4 80; Cyprus: Valencia Lates 3 0-3 50. Ortaniques—Jamaican: 54/126s 3.00-4 00. Lemons—Italian: 100/155s 4 50-4 65; Spania: Trays 25/45s 1 80-2 40 boxes 4 20-5 20; Californian: 99-165s 6.00-6.30. Grapefruit—Cyprus: 20-kg 4 00-5 40; Jaffa: Large boxes 32-88s 4 15-5.05. Apples—Argentine: Red Delicious 150s 8 40; New Zealand: Cox's Orange Pippins 9.20-9 60. Chilean: Granny Smith large boxes 125/150s 7 80; S. African: Golden Delicious 7 25-7 50, Starking 7.20-7.50, White Winters 150/180s 7 00-7.50, Granny Smith 8.20-8.30, Dunn's 6.80-7.00. French: Golden Delicious, boxes 40-lb 138/175s 4 20-4.80, 20-lb 2.10-2 60. Italian: Jonathan 0.09½, Romes 0.11½. Pears—S. African: Approx 34-lb Beurre Bosc 5.30-5.50, Packham's 6 90-7.80; Italian: Passacrassana 12-lb 1 50-1 80, 16-lb 2 00-2 30. Grapes—S. African: Barlinka 4.00, Golden Hill 7.20. Strawberries—Per punnet, Californian 0 80; Italian: 0 30-0.40. Avocados—S. African: 3.80-4.00. Pineapples—Ivory Coast: Each 12s 0 45-0.80, 6s 1 00-1.10. S. African: 6/9s 2.70-3.20. Bananas—Jamaican: 28-lb, per pound 0 17. Tomatoes—Canary: 3 00-3.50; Dutch: 4.50-4 60; Guernsey: Pink 4 60, Blues 4.50; Jersey: 4.50. Onions—Canadian: 50-lb 4 60; Chilean: 4 60-4.70; Tasmanian: 20-kg 5.40; Dutch: 5.30-5.50. Chicory—Belgian: 5-lb 2 00. Potatoes—Egyptian: King Edwards 3.60-3.70; Canary: 5.00; Cyprus: New 20-kg 4 40; Jersey: Per pound 0 60; Italian: 55-lb 5.20-5 40, Mataros 5 50. Carrots—Dutch: 10-kg 3.70; American: Pre-pack 48 x 1-lb 7.00; Cyprus: 2 40. Capsicums—Canary: 6 kilos 1 30-2 00, Dutch: 4 50-5.00. Beetroots—Cyprus: New crop, approx 28-lb 3.50. Melons—Israeli: Yellow 10s 10 00; Chilean: Green 15.00.

English Produce: Potatoes—Per bag 2 30-2 60. Mushrooms—Per pound 0.50-0 60. Apples—Per pound Bramley 0.11-0.18, Cox's Orange Pippins 0.13-0.20. Pears—Per pound Conference 0.11-0.17. Swedes—Per 25 28-lb 0.60-0.70. Turnips—Per 28-lb 1 20. Carrots—Per bag 1.00-1.50. Cabbages—Per box 1.40, White 1 50. Cauliflowers—Per 12s English 2 20-3.00. Cucumbers—Trays 15/20s 2 60-3.00, prepack 10/20s 3 00-3 40. Tomatoes—Per pound 0 40. Lettuce—Per 12 round 0 80-1 20. Parsnips—Per 28-lb 1 20. Rhubarb—Per pound outdoor 0 03-0.05. Onions—Per bag 5 20-5 50. Beetroots—Per bag, round 1 20, long 1 80. Celery—English 12/30s 3.20-4.00.

Oct. 313.00, 319 00. Sales 781 (802).

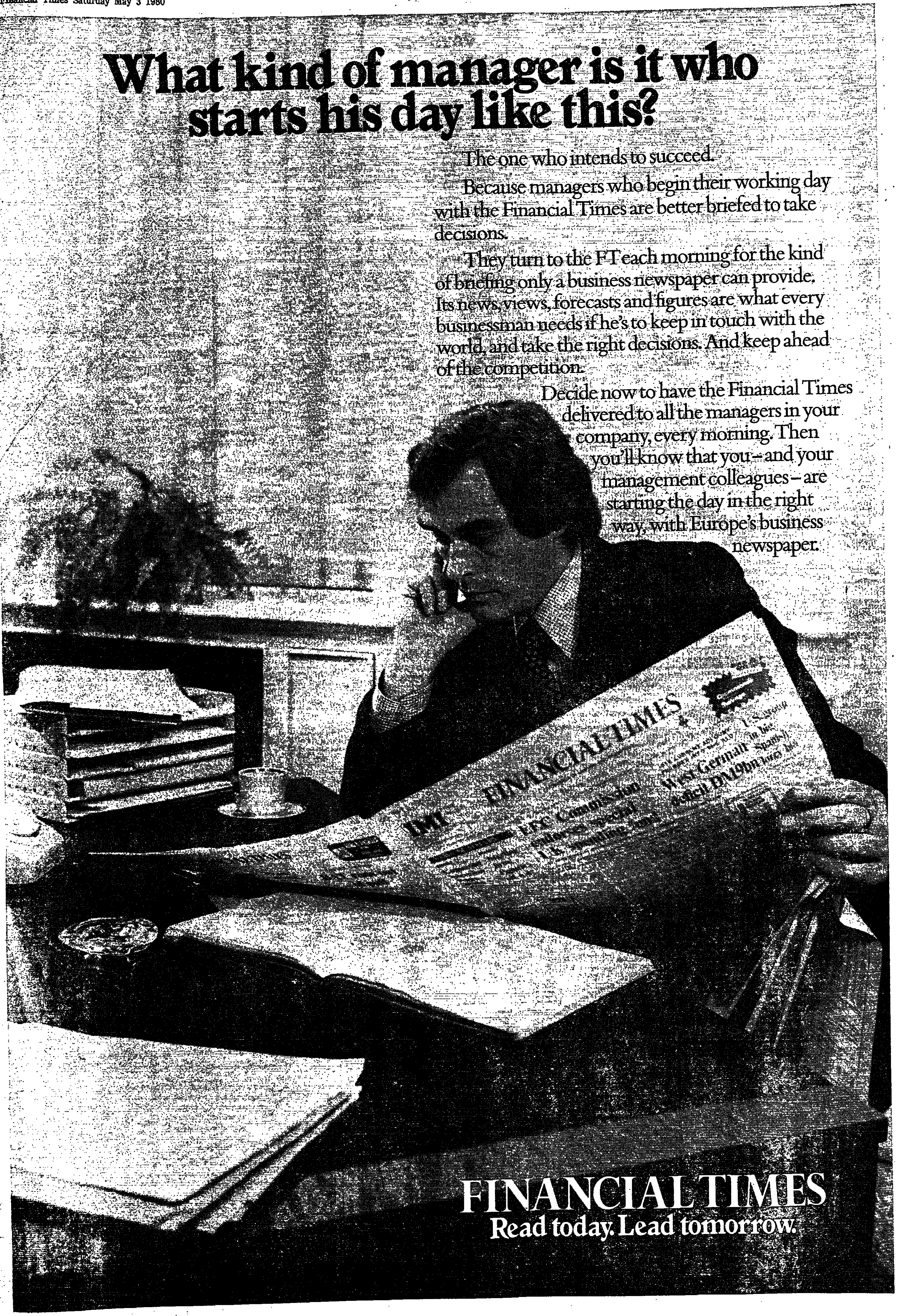
MEAT COMMISSION—Average fatstock prices at representative markets on May 2. GB—Cattle 84 98p per kglw (+0 08). UK—Sheep 145 6p per kgestdcw (−1.2). GB—Pigs 70 4p per kglw (+0.4).

COTTON

LIVERPOOL—No spot or shipment sales were recorded, leaving the total for the week at 292 tonnes against 213 tonnes in the previous week. Operators were extremely cautious, being affected by the widespread mill closure announcements. Few orders were completed, and inquiry, even in regular styles, was negligible.

★

GRIMSBY FISH—Supply: poor, demand: good. Prices at ship's side (unprocessed) per stone: Shell cod £4.00-£5 00, codlings £3 80-£4 40. Large haddock £4 80-£5 00, medium £3 30-£3.80, small £1.80-£2 40. Best small plaice £3 00-£4 20. Lemon soles large £8 00, medium £6.50.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Stock Exchange dealings

Thursday, May 1	18,065
Wednesday, April 30	18,995
Tuesday, April 29	18,273
Monday, April 28	1 ,665
Friday, April 25	19,017
Thursday, April 24	17,701

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous five business days, these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessary in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ɸ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (631)

CORPORATIONS (15)

Birmingham Corp. 3½pc 1946 23½ (29/4). 7¼pc 1980-82 86¼. 9¼pc 1979-81 92¼
Birmingham District Council 1985 92¼
Blackburn Corp. 3½pcIrrd 24 (29/4)
Croydon Corp 6¼pcRd 1978-81 88¼
Dunbarton County Council 9½pc Red. 1979-81 93¼ (29/4)
Glasgow Corp. 9¼pc Red. 1980-82 87¼
Greenwich (London Borough of 11¼pcRed 1986 90½
Islington Corp 12¼pc 1983-84 91¼ (28/4). 12¼pc 1986-87 90½ (25/4)
Kensington Chelsea 11½pc 88¼ (28/4)

SHORT DATED BONDS FREE OF STAMP DUTY

15½pc Bds. Reg. (10/12/80) 99¼
15¾pc Bds. Reg. (31/12/80) 99¼ (29/4)
16pc Bds. Reg. (11/2/81) 99¾ (28/4)
16¼pc Bds. Reg. (4/3/81) 100 (30/4)
16pc Bds. Reg. (29/4/81) 100 (25/4)
15¾pc Bds. Reg. (6/5/81) 100¾ (30/4)

PUBLIC BOARDS (11)

FREE OF STAMP DUTY

Agricultural Mort. Corp. 4½pcDb. 52½. 5pcDb. 60¾ (30/4). 5½pcDb. 1980-85

COMMONWEALTH GOVTS. (19)

FOREIGN STOCKS (3)

FOREIGN CRPS. (2)

BANKS (148)

BREWERIES (104)

COMMERCIAL (1,895)

A—B

B.A.T. Industries (24p) 68 (17/4).
B.A.T. Industries (25p) 240ɸ 70 31ɸ 6ɸ 45 3 7 50. Dfd. (25p) 230ɸ 47ɸ 3 2 38‡
BICC (50p) 124ɸ 30 3‡ɸ 4 2 5. 6½pc Db. 77 (28/4). 7pcDb. 79½
BL (50p) 22ɸ 19ɸ 20
BLMC 6pcUnsec.Ln. 34½ (28/4). 6½pc Unsec.Ln. 72½ (28/4). 7½pcUnsec.Ln. 44 (29/4) 7½pcCnv.Unsec.Ln. 47‡ɸ 8½
BOC International (25p) 66 5.5¼pcDb. 81½ɸ
BPB Industries 7¼pcCnv.Unsec.Ln. 208
BPC (25p) 25½ɸ ½ 6.75pcDb. 84½ (29/4)
BPM Holdings A (25p) 80ɸ 8 (25p) 79ɸ
BSG International (10p) 19¼ ½. 12½pcLn. 78½
BTR (25p) 376ɸ 5ɸ 4. 6½pcDb. 70 (25/4). 10½pcDb. 75 (25/4)
B and Q (Retail) (5p) 74 (30/4)
Babcock International (25p) 97 8. 4¼pc Db. 95½ (30/4)
Baggeridge Brick (25p) 50ɸ
Bailey (Ben) Construction (10p) 19 (28/4)
Bailey (C. H.) (10p) 6 (29/4)
Baird (William) 166 (28/4)
Baker Perkins Hldgs. (50p) 77ɸ 5ɸ
Bakers Household (Leeds) (10p) 84ɸ
Baldwin (H. J.) 7pcPf. 36
Bambers Stores (10p) 55ɸ
Barget (25p) 16 (30/4)
Barker and Dobson Group (20p) 17ɸ 15 ½. 12pcLn. 85ɸ
Barr (A.G.) (25p) 122
Barr, Wallace Arnold Tst. (25p) 105 10

C—D

Christies Intnl (10p) 174 8 5 (30/4)
Christie-Tyler (10p) 59½ 60 (29/4)
Chubb Son (20p) 106½ɸ 6
Church (25p) 180 (28/4)
Clarke (Clement Hldgs.) (25p) 117 (29/4)
Clayton Son (Hldgs.) (50p) 60 (30/4)
Clifford's Dairies (25p) 117ɸ. ANon-Vtg. (25p) 97ɸ 30
Coalite Group (25p) 97ɸ 6ɸ
Coates Bros. (25p) 57 (28/4). ANon-Vtg. (25p) 53
Coats Patons (25p) 42ɸ 3½ɸ 4 3½ 3. 6¼pcLn. 49 (30/4)
Cohen (A.) (20p) 263 (28/4). A (20p) 220 (28/4)
Cole (R. H.) (25p) 90 (29/4)
Comben Group (10p) 27ɸ 6ɸ 7
Combined English Stores Group (12½p) 34ɸ
Comet Radiovision Services (5p) 95 (29/4)

G—H

GEI Int. (20p) 76 (30/4)
Galliford Brindley (5p) 61 (25/4)
Garnar-Scotblair (25p) 76 (30/4)
Garton Eng. (10p) 72 (25/4)
Gelfer (A. & J.) (20p) 47½
Gen. Elec (2.50) £20⅞ (30/4)
Gen Elec. (25p) 369ɸ 70½ɸ 68ɸ 8 9 7 9½ 70 68 74 1. 4pcLn. 100½ (25/4). 6pc Ln. 87½ (25/4). 7¼pc Ln. 58ɸ 7½pc

L—M

Low (W.) (20p) 110 10‡
Lucas Inds. 225 2‡
Lyles (S.) (20p) 46ɸ
Lyon and Lyon (25p) 66 (30/4)
M.D.W. Hldgs. (25p) 52 (29/4)
MFI Furniture Group (10p) 57ɸ 60ɸ 59ɸ ½ɸ 9 60 57
M.K. Electric Hldgs. (25p) 173. 7½pc Ln. 60¼
M.L. Hldgs. (25p) 265ɸ
M.Y. Dart (½0p) 36ɸ 4ɸ
McCleery L'Amie Group (25p) 18 (28/4)
Macfarlane Group (Clansman) (25p) 101 (28/4)
McKechnie Bros. (25p) 105 (30/4). New (25p) 103 (28/4)
MacLellan (P. W.) (20p) 26 (29/4)
Macpherson (D.) Group (25p) 92
Magnet Southerns (25p) 170ɸ. 5.25pc Pf. 53 (29/4)
Mallinson-Denny (25p) 67½
Management Agency Music (10p) 144ɸ 5 2 3 6
Manders (Hldgs.) (25p) 160 (30/4)
Manor National Group Motors (20p) 23½. 10½pcPf. 86 (29/4). 12pcLn. 74 (29/4)
Maple (Hldgs.) (10p) 34½ɸ 5ɸ 4⅞ɸ ⅞ 5‡ 3¼ 4½ ¼ 5 ½
Marks Spencer (25p) 87 9 8 6
Marley (25p) 93ɸ 90 89
Marshall Cavendish (10p) 13½ɸ 16
Marshall (Thomas) A non-vtg. (25p) 24½ (29/4). 7pcPf. 42 (25/4)
Marshalls (Halifax) (25p) 173 (30/4)
Marshall's Universal (25p) 92ɸ 2
Martin-Black (25p) 16 (29/4)
Martonair Intnl. (20p) 196ɸ
Maxim's (25p) £6 (28/4)
May and Hassell (25p) 83
Mecca 7pcDb. 65¼ɸ ¼ɸ
Meggitt Hldgs. (5p) 21
Mellins (5p) 9½ (29/4)
Metal Box 278 80. 10½pcLn. 72¼ (29/4)
Metal Closures Group (25p) 105 4
Metal Inds. 3¾pcPf. 26½ (28/4)
Metalrax (Hldgs.) (5p) 55 (29/4)
Mettoy (25p) 32 (29/4)
Meyer (Montague L.) (25p) 104ɸ 6ɸ 8 5
Michelin Tyre 9½pcDb. 69½
Midland Inds. (5p) 101½ (29/4)
Miller (Stanley) Hldgs. (10p) 9 (29/4)
Mining Supplies (10p) 88
Mitchell Cotts Grp. (25p) 42ɸ 2 3½
Mixconcrete (Hldgs.) (25p) 73 2 (29/4)
Modern Engnrs. Bristol (Hldgs.) (25p) 28 9 (25/4)
Molins (25p) 95 6 (29/4)
Monument Secs. (10p) 3¼ (28/4)
Morgan Crucible (25p) 136‡ 7
Morrison (Wm.) Supermarkets (10p) 135 (30/4)
Moss Eng. Grp. (25p) 86 (29/4)
Mothercare (10p) 236 (30/4)
Mount Charlotte Inv. (10p) 22½ɸ 1½
Mowlem (John) (25p) 105
Muirhead (25p) 149 52
Myson Grp. (10p) 67 (28/4)

N—O—P

NCR 4pcStlg.Dir. 77ɸ
NSS Newsagents (10p) 116 (25/4)
Nash (J. F.) Secs. (25p) 70 (25/4)
Nathan (B. and I.) (25p) 53 (29/4)
National Carbonising (10p) 148
Neepsend (25p) 36
Negretti Zambra (25p) 46 (29/4). 9pcPf. 70 (29/4)
Neil Spencer Hldgs. (10p) 105
Neill (James) Hldgs. (25p) 54ɸ
Nelson David (5p) 10 (30/4)

Q—R—S

Staveley Inds. 174 (3 (28/4)
Stead and Simpson (25p) 10 0(25/3)
Steel Bros. Hldgs. (25p) 127 (28/4). 7pcLn. 49½ (29/4)
Steetley (25p) 175
Steinberg Group 16½ (25/4)
Stewart Plastics (25p) 76 (29/4)
Stirling Knitting Group (20p) 23 (25/4)
Stocklake Hldgs. (25p) 69ɸ
Stonehill Hldgs (25p) 105ɸ
Stone-Platt Indus. (25p) 33½ɸ 4½
Streeters of Godalming (10p) 15 (29/4)
Stylo Shoes (25p) 160 5 (30/4)
Sumner (Francis) (Hldgs.) (10p) 7½
Sunbeam Wolsey 8pcPf. 35 (29/4)
Sunlight Service Group (10p) 53½
Supra Group (10p) 83ɸ 79‡ 81 1‡

T—U—V

W—Y—Z

Yule Catto (10p) 112 (28/4)

FINANCIAL TRUSTS (75)

GAS (37)

Alliance Dublin Consumers Gas 43 (29/4)
Imperial Continental Assoc. 798ɸ 2 88 91 8 83½‡ 5‡ 94. 8pcLn. 104½ɸ 3½ɸ 6¼ɸ 7ɸ 6½ɸ 3 4 6½‡ 4½ 6¼ ½ 5

INSURANCE (125)

Bowring (C. T.) (25p) 152ɸ 1 2. 5pcLn. 147. 10pcLn. 214 16 16
Brentnall Beard (Holdings) (10p) 10ɸ
Britannic Assur. (5p) 190ɸ
Commercial Union Assur. (25p) 136ɸ 1 4 2 3 8
Eagle Star Holdings (25p) 185 7 6 3 4 8 (30/4)

APPOINTMENTS

Hill Samuel Group executive posts

HILL SAMUEL, the banking and financial services group, has created two new high level executive positions. Mr. Christopher Castleman, until recently managing director of Hill Samuel's South African subsidiary, is to return to London as deputy chief executive of the group. Mr. Richard Lloyd, at present one of the three deputy chairman of Hill Samuel and Co., the merchant banking arm of the group, has been appointed chief executive of the merchant bank. Sir Robert Clark remains as executive chairman of the banking subsidiary and group chief executive.

★

Mr. R. W. Aitken has joined the Board of both CHARLES LETTS (HOLDINGS) and CHARLES LETTS AND COMPANY as a non-executive director.

★

M. Jacques Gangloff has become chairman of ROBERT MALATIER. He succeeds M. Robert Malatier, who has retired as chairman but remains on the Board and has been elected honorary president.

★

Mr. D. R. Peirce has been appointed managing director of the Non-American Division of GLANVILL ENTHOVEN (OVERSEAS) and Mr. J. C. Clements has become managing director of the North-American Division. Mr. J. S. O'Brien has been made a director of Industrial and Mercantile Credit Management.

★

Mr. A. W. Bell has been appointed managing director of Hepworth Industrial Plastics and Hepworth Manufacturing (Padiham). He succeeds Mr. Michael Wall who has become deputy chairman of Hepworth Industrial Plastics. The parent concern is HEPWORTH CERAMIC HOLDINGS.

★

Mr. Kenneth Lamb, at present special adviser (broadcasting research) in the BBC, will become secretary of the CHURCH COMMISIONERS from July 1 in succession to Sir Paul Osmond.

★

Mr. Philip L. Rule, chairman of Safe Computing, has joined the Board of KODE INTERNATIONAL as a non-executive director.

★

Mr. Richard Savinson, a solicitor, has been appointed secretary of the ELECTRICITY COUNCIL in succession to the late Mr. B. C. O. Murphy.

★

Mr. Edgar R. H. Bowring, former chairman of C. T. Bowring and Co., has accepted an invitation to join the Board of MARSH AND McLENNAN COMPANIES, INC., as a non-executive director in the event of the proposed acquisition of C. T. Bowring and Co. being completed.

★

Mr. A. L. Burghouwt has been appointed financial controller of PROTECH INTERNATIONAL (UK) and Dr. D. W. Beddow manager of projects.

★

Mr. Peter Davis and Mr. David Hyman have joined the Board of HARRIS QUEENSWAY GROUP. Mr. Davis, whose appointment is as executive deputy chairman, was formerly a partner in Price Waterhouse and Co. and Mr. Hyman was chairman of Henderson Kenton.

★

Mr. Isaac Panto has resigned as joint chairman and managing director of P. PANTO AND CO. and has been appointed life president. Mr. Philip Panto, previously joint chairman, has become chairman. Mr. Chester M. Pantoock has been made managing director and has been succeeded as company secretary by Mr. Philip G. Barnett. Mr. Stanley Herman and Mr. Brian Sylvester have been appointed directors.

★

Mr. P. S. C. Forster has been appointed divisional director of JAMES CLARK AND EATON with the special responsibilities of a group marketing director.

★

Mr. Eric Bean has been appointed as head of public relations and external affairs for NATIONAL PANASONIC (UK).

★

Sir John Wraight has been appointed to the Board of ALLIED INTERNATIONAL DESIGNERS GROUP. Sir John was UK Ambassador to Switzerland from 1973 to 1976.

★

Mr. J. R. Terry has been appointed managing director of CALLARD AND BOWSER NUTTALL in place of Mr. K. A. Werrell who has become executive vice-president. Mr. D. S. Sandys-Renton succeeds Mr. Terry as marketing director of Arthur Guinness Son and Co. (Park Royal).

★

Mr. George Palmer has been appointed managing director of the LRC PRODUCTS division of LRC International. He will join the group on May 19 from Wilkinson Products.

★

Mr. Len Payne, director of distribution of J. Sainsbury, has been elected president of the FREIGHT TRANSPORT ASSOCIATION succeeding Mr. Malcolm Banks.

★

Mr. Stephen Leybourne is to become financial director of CAR CARE PLAN (HOLDINGS) on May 19 and he will also join the Boards of all group subsidiary companies.

★

Mr. David Bristow has been appointed managing director of CTI-DOMINION TITLE INSURANCE, the British subsidiary of Chicago Title Insurance Company.

★

Mr. W. G. Durrent has been appointed a director of CHIVAS BROTHERS and he continues as general production manager. The company is a member of the Seagram Distillers group.

★

TOUCHE ROSS AND CO. has appointed six new partners. They are Mr. P. J. Baldock (London Audit), Mr. B. R. Disbury (Birmingham Audit), Mr. P. B. Dolan (Cardiff Audit), Mr. J. B. Geggan (Glasgow Audit), Mr. R. D. Taylor (Cardiff Trust) and Mr. P. J. Williams (London Tax). Touche Ross and Co. Management Consultants states that Mr. R. S. Field is admitted to the partnership and located in the Manchester office.

★

Following the Shandwick Group's acquisition of Durden-Smith Communications, a number of new Shandwick PR appointments have been made. Mr. Neil Durden-Smith becomes deputy chairman and an executive director of SHANDWICK PR COMPANY; Mr. Alan Mole is now managing director; Mary Batholomew becomes deputy managing director and Mr. Peter Cunard, who is a director of Durden-Smith Communications, joins the Shandwick PR board.

★

Mr. V. H. Grigg is to retire from ESSO PETROLEUM COMPANY from July 31. Mr. T. P. Townsend will become executive director of finance on August 1. Mr. Townsend is at present treasurer, Esso Europe Inc.

★

Mr. R. L. Jarvis has been appointed company secretary of PROPERTY HOLDING AND INVESTMENT TRUST. He has been financial controller of the P-E Consulting Group for the past four years.

★

Mr. Terence A. Townsend has been appointed managing director, BRITISH OXYGEN (FAR EAST), a subsidiary of BOC International. He will be based in Tokyo.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol	Jan. Last	Stock
ABN C	F.280	2	20			—	—	F.299
ABN C	F.300	8	5	12	9	—	—	"
ABN C	F.310	9	3	—	—	—	—	"
AKZ C	F.22.50	25	1.60			—	—	F.23.40
AKZ C	F.25	28	0.50	101	0.90	12	1.60	"
AKZ P	F.27.50	45	0.20	—		—	—	"
ARB C	F.60	—	—	4	6	—	—	F.63.20
EK C	$50	3	4	—	—	—	—	$51⅛
HEI C	F.65	—	—	—	—	5	6.50	F.61
HEI C	F.70	—	—	1	2.50	—	—	"
HEN P	F.60	5	5	3	6.50	—	—	"
HO C	F.17.50	90	1.20	—	—	—	—	F.17.50
HO C	F.20	32	0.30	—	—	10	1.60	"
IBM C	$60	—	—	3	3	—	—	$54
KLM C	F.60	6	4.90	—	—	—	—	F.62.80
KLM C	F.70	72	1.30	5	2.80	—	—	"
KLM C	F.80	11	0.30	1	1.30	—	—	"
KLM P	F.60	60	3.80	—	—	—	—	"
KLM P	F.70	30	9.30	—	—	—	—	"
NN C	F.110	—	—	1	17.50	—	—	F.116.50
NN C	F.110	2	8	—	—	—	—	"
NN C	F.115	18	4.40	5	6	—	—	"
NN C	F.120	9	2	2	3.50	—	—	"
PHI C	F.17.50	10	1.40	5	1.80	—	—	F.18.60
PHI C	F.20	5	0.30	86	0.80	37	1.20	"
PHI C	F.22.50	6	0.10		—	—	—	"
PHI P	F.15	—	—	2	0.30	—	—	"
RD C	F.150	40	5.20	3	7.80	1	10	F.152.60
RD C	F.160	103	2.70	25	4.90	—	—	"
RD C	F.170	190	0.90	20	2.30	—	—	"
RD P	F.140	16	1.80	—	—	—	—	"
RD P	F.150	6	8	1	11.50	1	13.60	"
UNI C	F.110	5	5	—	—	—	—	F.113.60
UNI C	F.115	1	1.70	2	4.40	—	—	"
UNI C	F.120	—	—	—	—	1	4	"
		May		Aug.		Nov.		
SLB C	$110	2	1	—	—	—	—	$105⅞

TOTAL VOLUME IN CONTRACTS 1191

C=Call P=Put

SPAIN

May 2	Price %	+ or −
Banco Bilbao	206	−1
Banco Central	221	−1
Banco Exterior	206	
Banco Hispano	203	−1
Banco Ind Cat.	125	
Banco Madrid	143	
Banco Santander	243	−2
Banco Urquijo	140	
Banco Vizcaya	212	−1
Banco Zaragoza	200	
Dragados	83	−3
Espanola Zinc	62	+2
Fecsa	68.7	
Gal. Preciados	26	
Hidrola	64	−0.2
Iberduero	58.7	+0.7
Petroleos	102	
Petroliber	59	
Sngefisa	107	
Telefonica	58.8	−0.5
Union Elect.	63.6	+0.8

BASE LENDING RATES

A.B.N. Bank	17 %
Allied Irish Bank	17 %
Amro Bank	17 %
American Express Bk.	17 %
Henry Ansbacher	17 %
A P Bank Ltd.	17 %
■ Arbuthnot Latham	17 %
Associates Cap. Corp.	17 %
Banco de Bilbao	17 %
Bank of Credit & Cmce.	17 %
Bank of Cyprus	17 %
Bank of N.S.W.	17 %
Banque Belge Ltd.	17 %
Banque du Rhone et de la Tamise S.A.	17½ %
Barclays Bank	17 %
Bremar Holdings Ltd.	18 %
Brit. Bank of Mid. East	17 %
■ Brown Shipley	17 %
Canada Perm't Trust	18 %
Cayzer Ltd.	17 %
Cedar Holdings	17 %
■ Charterhouse Japhet	17 %
Choulartons	17 %
C. E. Coates	17 %
Consolidated Credits	17 %
Co-operative Bank	*17 %
Corinthian Secs.	17 %
The Cyprus Popular Bk.	17 %
Duncan Lawrie	17 %
Eagil Trust	17 %
E. T. Trust Limited	17 %
First Nat. Fin. Corp.	19½ %
First Nat. Secs. Ltd.	19 %
Robert Fraser	17 %
■ Antony Gibbs	17 %
Greyhound Guaranty	17 %
Grindlays Bank	‡17 %
■ Guinness Mahon	17 %
Hambros Bank	17 %
■ Hill Samuel	§17 %
C. Hoare & Co.	†17 %
Hongkong & Shanghai	17 %
Industrial Bk. of Scot.	17½ %
Keyser Ullmann	17 %
Knowsley & Co. Ltd.	19 %
Langris Trust Ltd.	17 %
Lloyds Bank	17 %
Edward Manson & Co.	18 %
Midland Bank	17 %
■ Samuel Montagu	17 %
■ Morgan Grenfell	17 %
National Westminster	17 %
Norwich General Trust	17 %
P. S. Refson & Co.	17 %
Rossminster	17 %
Ryl. Bk. Canada (Ldn.)	17 %
Schlesinger Limited	17 %
E. S. Schwab	17 %
Security Trust Co. Ltd.	18 %
Standard Chartered	17 %
Trade Dev. Bank	17 %
Trustee Savings Bank	17 %
Twentieth Century Bk.	17 %
United Bank of Kuwait	17 %
Whiteaway Laidlaw	17½ %
Williams & Glyn's	17 %
Wintrust Secs. Ltd.	17 %
Yorkshire Bank	17 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Premier Cons.	5p	10	86	—	87	39½
ICI	£1	9	376	+ 6	402	353
Ultramar	25p	9	674	+ 2	674	412
Charterhall	5p	8	71	—	86	57
NatWest Bank	£1	7	328	+ 3	373	305
GEC	25p	6	376	+ 3	388	326
Marks & Spencer	25p	6	88	− 1	96	77
Shell Transport	25p	6	350	—	410	314
Allied Breweries	25p	5	77½	+ 1	77½	68
Barclays Bank	£1	5	426	+ 6	452	392
BP	25p	5	334	− 4	412	320
Imperial Group	25p	5	81	+ 1	84	71½
LASMO	25p	5	575	+ 3	575	337
Tate & Lyle	£1	5	125	+ 1	178	118
Thorn EMI	25p	5	294	—	328	266

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
Premier Cons.	5p	65	86	− 6	87	39½
Ultramar	25p	53	674	+74	674	412
Carless Capel	10p	49	136	+43	136	75
BAT Inds.	25p	45	255	+32	271	223
BP	25p	43	334	+12	412	320
Burmah Oil	£1	43	210	+12	249	162
ICI	£1	42	376	+22	402	353
European Ferries	25p	41	130	+27	131	98
Shell Transport	25p	40	350	+18	410	314
GEC	25p	39	376	+13	388	326
LASMO	25p	39	575	+25	575	337
Tricentrol	25p	36	338	+12	340	250
Imp. Cont. Gas	£1	35	796	+48	800	593
P & O Defd.	£1	33	125	+11	125	105
Rugby P. Cement 'New'	Nil/pd.	32	16pm	+ 2	17pm	13pm

INVESTMENT TRUSTS (140)

UNIT TRUSTS (2)

MINES

Australian (2)

Miscellaneous (44)

Rhodesian (6)

South African (40)

Diamond (14)

OIL (400)

PROPERTY (94)

RUBBER (7)

UK RAILWAYS (3)

FOREIGN RAILWAYS (—)

SHIPPING (24)

TEA (2)

CANALS (1)

WATERWORKS (7)

RULE 163 (1) (e)

Bargains marked in securities which are quoted on listed or an Overseas Stock Exchange.

MAY 1

APRIL 30

APRIL 29

APRIL 28

APRIL 25

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

MAY 1

APRIL 30

APRIL 29

APRIL 28

APRIL 25

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

MAY 1

Aran Energy 344 5 50 2 6 8 60 2 4
Aran Energy New 335 44 6 52 5 6 60

APRIL 30

APRIL 29

APRIL 28

APRIL 25

Aran Energy 318 20 2 5 6
Aran Energy New 316 25
Berkeley Expln. Prod. 130 2 3 4 5 6½ 7
Candecca Res. 92 3 4 5 6 7 8 9 100
CCP North Sea Assoc. 253
Cluff Oil Acreage 415 20
Siebens Oil Gas (UK) 680 3 7 90 700 2.7 10
Viking Oil £11.30 40

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	13¾	½-year	1,000	1
Redbridge (01-475 3020)	14¼	½-year	200	2-3
Redbridge (01-478 3020)	14¼	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.70	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 3 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.58 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mths. not.
Coventry Economic	10.25	10.50	11.75	12.00 4yrs., 11.50 3yrs., 11.25 3mth not.
Coventry Provident	10.25	10.50	12.50	12.55 av 5 yrs, 12.00 4 yrs, 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mths. not., 11.75 3 mths not. m.n. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.53 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25 13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.80	11.70	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate continued its recent downward trend at yesterday's auction, falling 0.0524 per cent to 16.0105 per cent. The minimum accepted bid rose to £96.005 from £95.985 the previous week, and bids at that level were met as to about 14 per cent and above in full. The £300m bills on offer attracted bids of £1,538.66 and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day-to-day credit remained in short supply in the London money market, and the authorities gave assistance on an extremely large scale. This comprised small purchases of Treasury bills from banks, and for resale at a fixed future date; a small number of corporation bills and a small number of eligible bank bills. In addition they lent an extremely large amount to seven or eight houses at MLR for repayment on Tuesday.

In the inter-bank market, weekend money opened at 17¾-17⅞ per cent and rose to 17⅞-18 per cent before coming back during the afternoon to 16¾-17 per cent. However, late balances were taken as high as 17½-18

EXCHANGES AND BULLION

Trading was subdued in currency markets yesterday ahead of the long weekend, with both sterling and the dollar showing a firmer tendency. What little trading there was took place during the afternoon, with commercial orders for the U.S. unit out of New York pushing it to its best level of the day at the close against many currencies. While Euro-dolar rates were slightly easier in places, dollar sentiment was improved by growing signs that the recession in the U.S. was beginning to bite. Against the D-mark the dollar closed at DM 1.8245, up from Thursday's close of DM 1.8020, and SwFr 1.6950 compared with SwFr 1.6675 in terms of the Swiss rfanc. On Bank of England figures, the dollar's trade weighted index rose to 87.2 from 86.8.

Sterling was firmer overall, and this was reflected in its trade weighted index, which rose to 73.2 from 72.9, having stood at 73.1 at noon and in the morning. Against the D-mark it rose to DM 4.1150 from DM 4.0725 and to FFr 9.5800 from FFr 9.5000 against the French franc.

In the bullion market gold rose by $15 an ounce to close at $510-515 in very quiet trading.

THE POUND SPOT AND FORWARD

May 2	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2525-2.2665	2.2550-2.2560	0.85-0.75c pm	4.26	1.58-1.48 pm	2.71
Canada	2.6870-2.7000	2.6900-2.6920	0.53-0.43c pm	2.14	1.07-0.97 pm	1.52
Nethlnd.	4.51-4.56½	4.55-4.56½	3¼-2¾c pm	7.24	7-6 pm	5.70
Belgium	65.80-66.20	65.93-66.03	14-4c pm	1.64	16-6 pm	0.67
Denmark	12.72-12.90	12.88-12.90	2¼-4ore dis	−2.91	5-6½ dis	−1.82
Ireland	1.1020-1.1090	1.1070-1.1080	0.11-0.08p pm	1.03	0.45-0.40 pm	1.53
W. Ger.	4.08-4.12	4.11-4.12	3½-2¾pf pm	9.48	8-7 pm	7.29
Portugal	111.00-112.00	111.25-111.75	25c pm-20 dis	−2.42	15-115 dis	−2.33
Spain	160.80-162.00	160.90-161.20	90-155c dis	−9.13	165-255dis	−5.22
Italy	1920-1928	1924-1926	5½-3½lire pm	2.81	3-1 pm	0.42
Norway	11.17-11.22	11.17¾-11.18¾	6-4¼ore pm	5.50	11-9¾ pm	3.62
France	9.53-9.59	9.57½-9.58½	5¼-4¼c pm	5.95	9½-8½ pm	3.60
Sweden	9.53-9.59	9.53¼-9.54¼	5½-4½ore pm	6.29	8⅞-8⅞ pm	3.56
Japan	540-545	541½-542½	3.10-2.80y pm	6.31	5.55-5.05 pm	3.91
Austria	29.00-29.33	29.28-29.33	24-19gro pm	8.80	52-42 pm	6.42
Switz.	3.78-3.83	3.81½-3.82½	4¾-3¾c pm	13.35	10½-9½ pm	10.80

Belgian rate is for convertible francs. Financial franc 67.30-67.40.
Six-month forward dollar 2.28-2.20c pm. 12-month 3.93-3.83c pm.

GOLD

	May 2		May 1	
Gold Bullion (fine ounce)				
Close	$510-515	(£225¾-228)	$495-500	(£218¾-221)
Opening	$505-510	(£223-225½)	$507-511	(£224½-226¾)
Morning fixing	$510	(£226.166)	$507.75	(£224.271)
Afternoon fixing	$512.50	(£226.469)	$490	(£216.622)
Gold Coins				
Krugerrand	$536-540	(£237-240)	$509-514	(£225-228)
Mapleleaf	$526-536	(£232-237)	$501-511	(£221-226)
New Sovereigns	$133-135	(£59-60)	$126-128	(£55¾-57¼)
King Sovs	$157-160	(£69½-71½)	$154-158	(£68-70)
Victoria Sovs	$157-160	(£69½-71½)	$154-158	(£68-70)
French 20s	$136-140		$119-125	
50 pesos Mexico	$638-646		$617-624	
100 Cor. Austria	$507-513		$480-497	
$20 Eagles	$642-647		$620-650	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

May 2	PoundSterling	U.S. Dollar	Deutschem'k	Japan'seYen	FrenchFranc	Swiss Franc	DutchGuild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.256	4.115	542.0	9.580	3.820	4.558	1925	2.691	65.98
U.S. Dollar	0.445	1.	1.824	240.3	4.247	1.694	2.021	853.5	1.193	29.25
Deutschemark	0.243	0.548	1.	131.7	2.328	0.928	1.108	467.8	0.654	16.03
Japanese Yen 1,000	1.845	4.161	7.592	1000.	17.68	7.048	8.409	3552.	4.965	121.7
French Franc 10	1.044	2.354	4.295	565.8	10.	3.987	4.757	2009.	2.809	68.87
Swiss Franc	0.262	0.590	1.077	141.9	2.505	1.	1.193	503.9	0.704	17.27
Dutch Guilder	0.219	0.495	0.903	118.9	2.102	0.838	1.	422.4	0.590	14.48
Italian Lira, 1,000	0.519	1.172	2.138	281.6	4.977	1.984	2.366	1000.	1.398	34.28
Canadian Dollar	0.372	0.838	1.529	201.4	3.560	1.420	1.694	715.3	1.	24.52
Belgian Franc 100	1.516	3.418	6.237	821.5	14.52	5.790	6.907	2918.	4.079	100.

LONDON MONEY RATES

May 2 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Over night	—	15¾-18	—	—	—	17½	15½-17	—	—	—
2 days notice	—	—	17⅝-17⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17⅝-17¾	17¾-17⅞	—	18⅛	17½-17¾	17	—	—	—
One month	17⅝-17⅜	17⅞-17$\frac{11}{16}$	17⅝-17¾	18⅜-17⅞	17⅞	17½-17¾	17	15$\frac{31}{32}$	17⅜	17¾
Two months	17$\frac{7}{16}$-17$\frac{5}{16}$	17$\frac{9}{16}$-17$\frac{7}{16}$	—	17¾-17⅜	17¾	—	16⅝-16¾	15$\frac{15}{16}$	17$\frac{5}{16}$-17⅛	17½
Three months	17¼-17	17⅛-17¼	17¼-17½	17¼-16⅞	17½	17⅝-17¾	16½-16⅝	15$\frac{27}{32}$	16$\frac{9}{16}$	16⅞
Six months	16⅛-16	16$\frac{1}{16}$-16$\frac{3}{16}$	16⅛-16½	16-15¾	16½	16½	—	—	15$\frac{9}{16}$-15$\frac{17}{32}$	16⅝
Nine months	15½-15¼	15$\frac{7}{16}$-15$\frac{9}{16}$	—	16-15⅝	15$\frac{13}{16}$	16	—	—	—	—
One Year	15-14⅞	15$\frac{1}{16}$-15$\frac{3}{16}$	15¼-15⅝	15⅝-15¼	15$\frac{7}{16}$	15⅜	—	—	—	—
Two years	—	—	15½-15⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 15¼-15⅜ per cent; four years 14¾-15 per cent; five years 14¾-14⅞ per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅜ per cent; four-month trade bills 16⅝ per cent.

Approximate selling rates for one-month Treasury bills 15$\frac{29}{32}$-15$\frac{13}{16}$ per cent; two-months 15$\frac{13}{16}$-15⅞ per cent; three-months 15$\frac{25}{32}$ per cent. Approximate selling rates for one-month bank bills 17⅜ per cent; two-months 16$\frac{15}{16}$-17 per cent; three-months 16$\frac{7}{16}$ per cent; one-month trade bills 17½ per cent; two-months 17⅛ per cent and three-months 16⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.0105 per cent.

CURRENCY MOVEMENTS

May 2	Bank of England Index	Morgan Guaranty Changes%
Sterling	73.2	−32.8
U.S. dollar	87.2	−6.3
Canadian dollar	79.8	−18.5
Austrian schilling	155.8	+24.4
Belgian franc	115.2	+14.0
Danish kroner	106.4	−4.5
Deutsche mark	154.7	+44.8
Swiss franc	196.8	+79.0
Guilder	124.3	+19.0
French franc	100.1	−5.9
Lira	53.6	−50.6
Yen	119.3	+17.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.65-13.75 per cent; three-months 13.65-13.75 per cent; six-months 12.95-13.05 per cent; one year 12.20-12.30 per cent.

May 2	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17½-17¾	12¼-12¾	9-10	10⅞-11⅛	5¼-5½	9⅝-9⅞	13-13⅛	12-14	6⅝-6½	10¼-10¾
7 days' notice	17⅜-17⅝	12⅞-13⅛	9-10	10⅞-11⅛	5¼-5¾	9⅝-9⅞	13-13⅛	14-16½	12⅞-13	11⅜-11⅝
Month	17⅝-17⅞	13⅝-13⅞	15¼-15⅝	11-11¼	5$\frac{9}{16}$-5$\frac{11}{16}$	9½-9⅝	13$\frac{1}{16}$-13$\frac{3}{16}$	16⅛-18	13$\frac{13}{16}$-13$\frac{15}{16}$	11⅞-12⅛
Three months	17⅛-17¼	13⅝-13⅞	14⅝-15	11$\frac{1}{16}$-11$\frac{3}{16}$	6⅛-6¼	9½-9⅝	13$\frac{1}{16}$-13$\frac{3}{16}$	16½-17½	14-14⅛	13-13⅜
Six months	16⅜-16⅝	13⅝-13⅞	14⅝-15	11-11¼	6¼-6⅜	9½-9⅝	13¼-15⅜	16⅛-17¼	13¾-13⅞	12⅛-12⅜
One year	15⅛-15⅜	13⅝-13⅞	12⅞-13¼	11-11¼	5½-5⅝	9$\frac{7}{16}$-9$\frac{9}{16}$	13⅜-13⅝	16-17	12⅞-13	10¾-11

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.60-13.70 per cent; three-months 13.60-13.70 per cent; six-months 13.00-13.10 per cent; one year 12.30-12.40 per cent.

Long-term Eurodollar two years 12¾-12⅞ per cent; three years 12¾-12⅞ per cent; four years 12⅞-12⅞ per cent; five years 12-12¾ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4055	+1.55	+0.79	±1.53
Danish Krone	7.72336	7.84586	+1.59	+0.83	±1.64
German D-Mark	2.48208	2.50819	+1.05	+0.29	±1.125
French Franc	5.84700	5.84980	+0.05	−0.71	±1.3557
Dutch Guilder	2.74362	2.77234	+1.05	+0.29	±1.512
Irish Punt	0.668201	0.677313	+1.36	+0.60	±1.668
Italian Lira	1157.79	1178.95	+1.83	+1.58	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 2	£	$		£ Note Rates
Argentina Peso	4030-4050	1782-1789	Austria	29.05-29.35
Australia Dollar	2.0270-2.0290	0.8980-0.8985	Belgium	67.20-67.80
Brazil Cruzeiro	110.27-111.27	48.86-49.06	Denmark	12.70-12.77
Finland Markka	8.36-8.40	3.7215-3.7235	France	9.49-9.55
Greek Drachma	94.547-96.761	41.80-42.10	Germany	4.08-4.10½
Hong Kong Dollar	11.16½-11.18½	4.9400-4.9450	Italy	1880-1925
Iran Rial	n/a	n/a	Japan	543-548
Kuwait Dinar(KD)	0.610-0.620	0.2717-0.2718	Netherlands	4.50-4.52½
Luxembourg Frc.	65.93-66.03	29.24-29.26	Norway	11.14-11.22
Malaysia Dollar	5.0425-5.0525	2.2290-2.2310	Portugal	108½-111
New Zealand Dlr.	2.3435-2.3455	1.0380-1.0390	Spain	156½-164½
Saudi Arab. Riyal	7.48-7.58	3.3280-3.3330	Sweden	9.51-9.58
Singapore Dollar	4.9425-4.9525	2.1870-2.1890	Switzerland	3.78-3.81
Sth. African Rand	1.8020-1.8030	0.7990-0.7995	United States	2.2580-2.2670
U.A.E. Dirham	8.57-8.47	3.7185-3.7235	Yugoslavia	48½-50.

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 2/5/80

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	151.00	47.6	77-81	6.7	4.2	−11.9	−15 to −9	0.0	9.3	5.4	+17.3
British Land 12pc Cv. 2002	7.71	270.00	333.3	80-97	4.4	2.3	1.3	0 to 6	0.0	38.0	33.0	+31.7
Hanson Trust 6½pc Cv. 88-93	3.02	80.00	57.1	76-81	8.2	9.2	−4.1	−10 to 1	6.2	3.1	−3.7	+0.4
Slough Estates 10pc Cv. 87-90	5.50	240.00	187.5	78-88	4.2		−3.0	−6 to 2	35.4	44.0	3.5	+6.5
Slough Estates 8pc Cv. 91-94	24.88	118.00	78.0	80-91	6.9	6.1	14.6	15 to 26	25.9	50.8	24.2	+9.6
Ultramar 7pc net R.Cv.Pfd.	12.59	3.48	0.5	76-81	2.9		−1.6	−5 to 6	11.3	9.5	−0.5	+1.1
Wilkinson Match 10pc Cv. 84-98	11.10	72.00	40.0	76-83	14.6	15.0	41.7	23 to 46	20.8	29.2	16.5	−25.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

Gilts end impressive week on strong note despite new tap stock—Oils highlight quiet pre-holiday equities

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19
May 12	May 28	May 30	June 9

* "New time" dealings may take place from 9 am two business days earlier.

A continuation of this week's strong tone in Gilt-edged securities was the undoubted feature of an otherwise quiet pre-holiday session in stock markets yesterday Fresh overseas and local institutional support was not quite on the scale seen earlier in the week, but interest expanded after the announcement of the UK official reserves for April and indications of a firm opening yesterday in the U.S. bond market.

Reflecting the main body of opinion that the authorities would take the opportunity to fund a short-dated tap, stocks in this area went slightly easier firming in the wake of another impressive upturn at the longer end of the market. Quotations here were nearly a point higher when, at the official close, a new medium tap stock was announced, comprising £1bn of **Exchequer** 13½ per cent 1992 to be issued by tender with £20 payable on application.

The area and attractiveness of the new stock aroused considerable debate. When dealings resumed after the usual trading recess all quotations improved a little prior to encountering profit-taking and reverting to their 3.30 pm levels. This left the longs showing gains on balance of ½ and the shorts improvements to 3/16 generally, the latter after having been that much down in the early trade.

Holiday influences clearly affected trade in the equity sectors with the notable exception of Oils. Business activity here continued on its recently expanded scale and as soon as initial profit-taking had been absorbed the sector went firmer led by North Sea issues and exploration stocks. Apart from ICI, up 6 at 376p reflecting the group's oil interests and a small bear squeeze, leading shares moved narrowly either way. The FT 30-share index regained a loss of 1.1 at 10 am to close 0.4 up on the day for a recovery on the week of 16.1 at 443.6.

F.C. Finance better

Fresh buying aggravated a stock shortage in **Southern Rhodesian** bonds which made further good headway with the 6 per cent 1978/81 issue gaining 5 to £157 and the 2½ per cent 1965/70 stock rising 7 to £149.

Traded options finished the week by recording 369 trades to bring the daily average over the period to 443.

Revived speculative demand in a restricted market lifted **F. C. Finance** 10 to 90p. Other Hire Purchases made progress on cheaper money hopes and **Provident Financial** rose 5 to 117p. **FNFC**, however, eased a fraction to 18½p following news that the Electricity Suppy Pension Fund has disposed of its near-6 per cent stake, 7m shares, in the group to various institutions. **Hambros** featured merchant banks with a fresh improvement of 15 at 398p on renewed investment support. Rises of 3 and 4 respectively were seen in **Keyser Ullmann**, 67p. and **Kleinwort Benson**, 148p. Discount houses concluded a favourable week with fresh gains ranging to 10, as the strength of gilts and the recent batch of better-than-expected trading statements continued to buoy sentiment. **Union** rose that much to 425p while **Allen Harvey and Ross**, 360p, and **Cater Ryder**, 320p, put on 5 apiece. **Smith St Aubyn**, still responding to the favourable results, added 4 more for a rise on the week of 22 to 134p. Ahead of next Tuesday's meeting of the Banking, Insurance and Finance Union, at which the latest pay proposals to clerical staff will be discussed, the major clearers perked up following a selective demand. **Barclays** put on 6 to 426p as did **Lloyds**, to 296p. Insurances ended the week on a quietly firm note.

Press comment prompted further investment buying for Breweries. **Allied** added a penny for a week's rise of 6½ at 77½p, while **Arthur Guinness** picked up a couple of pence to 92p. Selected regional counters also found support with **Vaux**, interim next Friday, closing 2 better at 152p. **Wolverhampton and Dudley**, 335p, and **Mansfield**, 144p, both added around 5. Wines and Spirits traded quietly, but **Arthur Bell** stood out with a gain of 5 to 178p.

Stores quiet

Comment on the preliminary results caused dullness in **Newarthill** which gave up 10 to 240p, but **Blockleys**, up 6 at 84p, reflected satisfatcion with the increased dividend and profits. Elsewhere in the Building sector, demand in a limited market left **Burnett and Hallamshire** 15 to the good at 50p, while **P. C. Henderson A** continued to benefit from the results and enfranchisement proposals and rose 13 more to 153p for a gain of 56 on the week. Cements trended firmer, **Tunnel** gaining 4 to 212p and **Blue Circle** 2 to 324p. On the other hand, **Redland** met selling and reacted 9 to 165p, while scattered offerings left **SGB** 3 lower at 140p.

Assisted by th continning boom in Oil shares, **ICI** were supported and put on 6 to 376p.

Store major finished the first leg of the Account in subdued mood. Press comment helped **GUS A**, 4 better at 402p, after 404½p, but elsewhere the trend was to slightly lower levels. **House of Fraser**, 146p, and **UDS**, 71p, both rumoured suitors for Maple, eased 4 and a penny respectively. **Maple** firmed the turn to 38p, while current bidders **Waring and Gillow** added 2 more to 112p. **Marks ...and Spencer**, annual results due next Wednesday, lost a penny at 88p, while **British Home** shed a couple of pence to 288p. Among secondary issues, **A. G. Stanley**, still benefitting from the full-year results, rose 2 more to 78p, but **Owen Owen** encountered further profit-taking and cloed 4 cheaper at 128p. **Polly Peck** eased a penny to 34p, but still retained a week's gain of 9 on hopes of an asset injection. **Kitchen Queen** picked up 2 to 17p; the sale of the company's stores is thought to be close.

Electrical leaders edged a penny or so higher, **Plessey** improving 3 to 150p and **GEC** 3 to 376p. Elsewhere, **Quest Automation** gained 8 to 120p in response to the interim results and proposed one-for-one scrip issue. Renewed demand lifted **STC** 6 more to 288p, while scattered support left **MK Electric** 4 up at 178p and **BICC** 2 firmer at 127p. In contrast, **Telephone Rentals**, at 210p, gave up 4 of the previous day's rise of 9 which followed the annual results.

Conditions in the Engineering sector were extremely quiet. Leading issues ended the day with a slightly easier bias, losses of around 2 being marked against **John Brown**, 48½p, **GKN**, 276p, and **Hawker**, 184p. Among the occasional movements in secondary issues, **Staveley** were outstanding at 190p, up 8, following the £4.9m French deal. Further support in a limited market lifted **ML Holdings** 10 more to 275p, but **British Aluminium** came on offer and gave up 7 to 223p.
headway in light trading. **J. Sainsbury**, preliminary results expected next Wednesday, added 3 to 298p, while **Associated Fisheries** also found support and rose a similar amount to 68p. The chairman's reiteration that the bid from Unigate is unwelcome lifted **Clifford's Dairies A** 3 to 101p, but **Lockwoods** fell 6 to 56p following sharply reduced interim earnings.

leaders plotted an irregular course in thin trading. **Metal Box** cheapened 6 to 282p, while **Unilever** improved that much to 423p; the latter has announced that it intends to close its Mac Fisheries chain of shops by the end of the year. **Trafalgar House** hardened 1½ to 69½p on Press comment. Elsewhere, **Mettoy** were a late weak spot as the ordinary fell 4 to 27p and the Deferred cheapened 1½ to 16½p in reaction to news of the reduced final dividend payment and sharp profits contraction. Still reflecting the Board's profits warning, **Alpine** shaded 2 more making a fall on the week of 18 to 86p, while **Uniflex** fell 3 more to 60p on further consideration of the disappointing results. **Friedland Doggart** sprang to life when the appearance of late buyers lifted the price 13 to 105p. Ahead of their interim statements due later this month, **Hays Wharf** improved 3 to 162p and **ICL** 5 to 136p. North Sea oil enthusiasm prompted a rise of 6 to 124p in **National Carbonising**, while gains of 10 and 15 respectively were seen in **Portals**, 277p, and **Sothebys**, 450p. Up 28 the previous day on the strong return to profitability, **Henry Boot** improved 5 more to 145p. **J. Dykes**, 12½p, were suspended at the company's request pending clarification of the company's position.

Management Agency and Music stood out among Leisure issues, rising 6 to 149p on bid hopes.

Movements of note were few and far betwee naming Motor Distributors, but **Appleyard** attracted renewed speculative support and touched 53p before settling a net 3 up at 51p. **Henlys**, 83p, recovered the previous day's fall of 2.

Among Publishing issues, the sharp reduction in **Marshall Cavendish's** annual profits came as no surprise and, following the chairman's remarks over current trading, the close was 1½ higher at 18½p. **Jefferson Smurfit** added 3 to 178p in front of next Tuesday's annual results.

Cheaper money hopes remained the major stimulant for Property shares. **Land Securities**, 337p, and **Great Portland Estates**, 248p, improved 3 apiece, while **MEPC** hardened a couple of pence to 216p. **Haslemere** put on 4 to 334p, while improvements of 8 and 10 respectively were seen in **Chesterfield**, 328p, and **Property Partnerships**, 210p. Old bid favourite **Corn Exchange** encountered renewed speculative interest and the close was 2 dearer at 42p.

Oils strong again

Oil shares enjoyed another lively session yesterday. Demand again centrede on exploration issues which pushed ahead further to close with fresh useful gains. **Siebens** rose 40 to 760p and **Viking Oil** 1¼ to £13¾, while rises of 10 were marked against **CCP**, 290p, and **Clyde**, 490p. Onshore favourites, **Candecca**, 150p and **Carless Capel**, 136p, gained 12 and 4 respectively. Among the less speculative stocks, the trend was a shade easier at the start of business, but buyers soon appeared on the scene and at the close prices showed little net alteration.

Among Overseas Traders, **James Finlay** responded to favourable Press comment with a rise of 3 to 92p, while support was also seen for **Australian Agricultural**, 7 better at 112p, and for **Inchcape**, 8 up at 368p.

Movements in Trusts were confined to a few pence either way, but **Viking Resources**, reflecting the continuing boom in Oil shares, advanced 9 to 198p. Among Financials, **Mercantile House**, drew further strength from U.S. acquisition news and put on 3 for a three-day gain of 26 to 196p.

Shippings trended a few pence harder, but further consideration of the preliminary results prompted a reaction of 13 to 92p in **Hunting Gibson**.

South African Golds ended a generally depressing week in subdued form. The market fell sharply on Monday and Tuesday in the aftermath of the previous Friday's ill-fated attempt by the Americans to rescue the hostages in Iran.

On Thursday, further pressure was put on share prices as the bullion price declined following fears of heavy sales of the U.S. Hunt brothers' silver holdings.

Yesterday the tone of the market improved as the bullion price staged a good rally to close $15 up at $512.50 an ounce following a statement from Mr. Paul Volcker, chairman of the U.S. Federal eRserve Board, that bank loans being negotiated for Hunt brothers would not depend on them selling their silver holdings.

Demand for Golds came from the Continent and Johannesburg, but buying was on a modest scale. The Gold Mines index rose 0.9 to 297.3 but remained 29.5 lower over the week. **Hartebeest** were outstanding with a rise of almost a point at £28⅛, while **West Driefontein** gained ½ to £32¼.

Financial were mixed. The continuing attractions of issues with North Sea oil and gas interests prompted good buying of **Selection Trust** and **Tanks** which rose 6 apiece to 614p and 266p respectively.

RTZ, however, gave up 5 to 355p despite the group's 25 per cent interest in the Argyll field. **Gold Fields** came under pressure and fell 8 to 458p, 30 down on the week.

South African Financials showed widespread, although generally minor, losses.

Australians turned easier in line with the trend in overnight domestic markets. **MIM Holdings** lost 5 for a fall of 11 to 190p over the week, despite the announcement on Tuesday of sharply increased earnings in the 40 weeks to April 8.

FINANCIAL TIMES STOCK INDICES

	May 2	May 1	Apr. 30	Apr. 29	Apr. 28	Apr. 25	A year ago
Government Secs.	67.70	67.27	67.22	66.74	66.22	65.51	76.91
Fixed Interest	67.42	67.20	67.07	66.66	66.41	66.46	77.76
Industrial	443.6	443.2	440.4	436.7	432.1	427.5	558.6
Gold Mines	297.3	296.4	301.4	296.4	304.8	326.8	187.8
Ord. Div. Yield	7.98	7.97	8.00	8.07	8.15	8.25	5.81
Earnings, Yld. % (full)	19.43	19.47	19.56	19.71	19.87	20.08	14.82
P/E Ratio (net) (*)	6.25	6.25	6.20	6.16	6.11	6.05	9.22
Total bargains	17,794	18,065	18,995	18,275	16,665	19,011	—
Equity turnover £m	—	109.27	102.45	79.61	75.29	101.55	226.87
Equity bargains total	—	15,031	13,061	12,407	11,881	14,641	30,313

10 am 442.1, 11 am 443.4. Noon 443.9. 1 pm 443.7, 2 pm 443.8. 3 pm 443.7.

Latest Index 01-246 8026.

*Nil=5.86.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.86 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (13/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (28/10/71)

S.E. ACTIVITY

	May 2	May 1
—Daily		
Gilt Edged	121.2	138.9
Industrials	114.3	117.3
Speculative	25.6	29.3
Totals	82.6	87.7
5-day Av'ge.		
Gilt Edged	121.4	118.8
Industrials	109.3	112.2
Speculative	31.6	34.8
Totals	80.3	81.3

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	52	—	62	—	76	1	336p
BP	330	31	10	44	4	58	—	"
BP	360	20	4	32	—	44	—	"
BP	390	10	—	22	1	—	—	"
Cons. Gold	420	60	2	—	—	—	—	485p
Cons. Gold	460	30	—	54	1	66	—	"
Cons. Gold	500	16	5	34	2	46	5	"
Cons. Gold	550	6	—	18	20	—	—	"
Courtaulds	60	13½	10	14½	—	16	—	70p
Courtaulds	70	5	9	7½	1	8½	—	"
Courtaulds	80	2	23	4½	—	—	—	"
Courtaulds	90	1	40	—	—	—	—	"
GEC	390	20	3	37	2	52	—	376p
Grand Met.	130	8	—	13½	1	18½	—	128p
ICI	360	34	13	45	—	54	—	374p
ICI	390	17	23	24	—	36	—	"
Land Secs.	300	48	—	62	1	72	—	337p
Land Secs.	330	28	22	41	—	53	—	"
Land Secs.	360	12	11	24	—	35	—	"
Marks & Sp.	90	5½	50	9½	5	13	2	89p
Marks & Sp.	100	2½	15	5½	4	—	—	"
Shell	330	42	1	50	—	56	—	349p
Shell	360	21	9	30	—	40	—	"
Shell	390	9	—	18	11	—	—	"
Totals			250		65		8	
		May		August		November		
Imperial Gp.	80	3¼	57	6½	45	8½	—	81p
Imperial Gp.	90	⅛	—	2½	—	3½	1	"
Racal Elec.	180	70	5	74	2	—	—	249p
Racal Elec.	220	30	5	39	—	50	2	"
Racal Elec.	240	15	10	26	26	38	—	"
Racal Elec.	260	4	—	14½	5	28	—	"
Totals			77		78		3	

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	84	—	5	414	1	30
Corpns. Dom. and Foreign Bonds	11	1	54	129	9	192
Industrials	287	170	955	1,597	776	4,598
Financial and Prop.	144	70	286	1,024	265	1,211
Oils	22	8	18	135	28	81
Plantations	—	4	23	9	30	96
Mines	27	46	82	142	287	346
Others	44	52	42	283	192	212
Totals	599	351	1,465	3,733	1,588	6,766

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (147)

BRITISH FUNDS (43)
COMMONWEALTH AND AFRICAN LOANS (2)
LOANS (1)
AMERICANS (3)
BANKS (11)
BEERS (6)
BUILDINGS (4)
DRAPERY AND STORES (1)
ELECTRICALS (3)
ENGINEERING (6)
FOODS (5)
INDUSTRIALS (9)
INSURANCE (5)
LEISURE (1)
MOTORS (1)
PROPERTY (19)
SHIPPING (2)
TRUSTS (12)
OILS (12)
OVERSEAS TRADERS (1)

NEW LOWS (28)

FOREIGN BONDS (1)
Japan 4pc 1983-88
AMERICANS (1)
Burroughs Corp.
CANADIANS (1)
Inco
CHEMICALS (1)
Brit. Benzol
ENGINEERING (2)
Carclo Eng. Clifford (Ch.)
FOODS (1)
Alpine Soft Drinks
INDUSTRIALS (5)
Alpine Holdings Mettoy Deld.
Bath & Portland Uniflex
Grovebell
LEISURE (1)
Fairline Boats
MOTORS (3)
Peak Invs. BSG Int.
York Trailer
NEWSPAPERS (1)
Routledge and Kegan Paul
SHIPPING (1)
Milford Docks
SHOES (1)
Strong and Fisher
TEXTILES (3)
Mackay (Hugh) Sunbeam Wolsey
Sekers Int.
OVERSEAS TRADERS (1)
Borthwick (T.)
MINES (5)
J'burg Cons. M.I.M.
Wankie Colliery Oakbridge
Zambia Copper

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Apr. 21	May 3	Jul. 24	Aug. 4
May 6	May 16	Aug. 7	Aug. 18
May 19	Jun. 6	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Oil, Courtaulds, Valor, Carless Capel, Marshall Cavendish, Provincial Laundries, Berkeley Hambro, Loraine Gold, William Press, FNFC, UDT, Gough Cooper, Vickers, Queens Moat Houses, BSG, Ultramar, Britannia Arrow, Marks and Spencer, Henry Ansbacher, Saga Holidays, P & O Deferred, Lonrho, Inter-City, Fodens, Aerow A, U.K. Properties and Pacific Copper. Puts were completed in Premier Oil, and Cons. Gold Fields, while a double was arranged in Premier Oil.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., May 2, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur., May 1 Index No.	Wed., April 30 Index No.	Tues., April 29 Index No.	Mon., April 28 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS(172)	240.79	+0.1	18.28	6.64	6.81	240.53	239.87	237.67	236.14	287.87	250.52 (14/2)	208.87 (3/1)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (28)	236.54	−1.0	17.93	6.88	6.92	238.91	238.64	235.86	231.43	269.36	244.27 (14/2)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction(27)	354.36	−0.1	25.88	6.67	4.74	354.80	355.92	352.00	349.22	451.74	377.28 (29/2)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (16)	633.16	+1.2	13.13	3.99	9.92	625.70	623.31	620.70	614.49	698.53	646.77 (13/2)	539.56 (2/1)	698.53 (4/5/79)	84.71 (25/6/62)
5	Engineering Contractors (11)	285.33	+0.3	23.49	9.08	5.47	284.54	285.91	283.55	278.18	429.70	306.54 (14/2)	268.22 (18/3)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	160.53	−0.4	21.02	8.17	5.82	161.11	160.23	158.29	157.36	211.07	173.75 (14/2)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming(16)	166.79	+0.1	20.72	9.80	5.84	166.56	166.01	164.08	162.81	192.29	171.28 (29/2)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
11	CONSUMER GOODS (DURABLE) (49)	218.24	+0.2	15.07	5.86	8.13	217.81	216.17	215.20	212.76	258.44	226.35 (3/3)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV(14)	315.80	+0.1	11.59	4.22	11.03	314.66	312.35	310.95	306.87	348.68	322.21 (3/3)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	107.86	+1.8	27.61	10.37	4.27	105.14	105.21	105.12	103.86	179.04	116.40 (1/1)	103.55 (18/3)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	104.01	+0.1	22.32	9.58	5.23	103.89	102.88	102.32	101.71	135.66	115.86 (29/1)	101.20 (25/4)	170.59 (15/1/69)	19.91 (6/1/75)
21	CONSUMER GOODS (NON-DURABLE) (173)	219.75	+0.4	18.55	7.12	6.56	218.80	217.34	214.32	212.74	269.81	226.99 (21/1)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	279.37	+1.2	15.85	6.29	7.41	276.15	274.20	269.99	268.14	306.13	279.37 (2/5)	248.93 (3/1)	306.13 (4/5/79)	69.47 (13/12/74)
23	Wines and Spirits (5)	308.07	+0.6	17.68	6.06	6.97	306.13	304.65	303.30	302.55	347.53	322.79 (21/1)	286.29 (28/3)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	297.68	+1.2	19.22	7.30	6.45	294.11	294.67	290.20	287.09	374.30	312.63 (5/3)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers(21)	193.61	+0.7	20.27	7.60	5.79	192.26	191.96	189.22	188.29	236.75	208.78 (14/2)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing(13)	297.80	+0.4	13.71	4.86	8.70	296.51	296.13	292.28	290.84	331.74	325.52 (21/1)	286.28 (3/1)	332.56 (8/5/79)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	399.05	−0.1	24.47	7.59	5.49	399.37	398.95	397.10	397.66	486.06	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	133.24	−0.3	24.27	8.78	5.06	133.66	131.56	130.89	129.70	155.12	134.86 (14/2)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores(43)	215.47	−0.3	14.12	5.39	9.25	216.12	214.09	212.72	210.78	273.48	227.12 (29/2)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles(24)	125.08	−0.1	28.83	12.35	4.32	125.16	124.10	122.12	120.89	191.07	134.65 (19/2)	117.70 (8/4)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	214.47	+1.3	27.15	11.45	4.18	211.70	208.61	198.66	197.10	279.81	221.71 (18/1)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games(5)	31.31	−2.7	48.02	16.21	2.56	32.19	32.19	32.00	32.21	89.19	47.59 (1/1)	30.00 (1/4)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS(98)	204.22	+0.6	17.35	7.27	6.89	202.99	201.29	199.91	198.30	234.11	215.44 (14/2)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	303.62	+1.1	20.40	7.89	5.61	300.35	298.05	295.60	294.78	329.77	317.88 (13/2)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	189.79	—	13.27	7.05	9.14	189.82	188.23	188.60	188.19	274.02	221.00 (13/2)	185.11 (25/4)	291.13 (14/9/78)	185.11 (25/4/80)
44	Office Equipment (6)	112.48	−0.2	18.99	7.38	6.08	112.69	110.41	109.26	107.72	150.53	123.10 (14/2)	102.45 (3/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	511.00	+0.5	11.77	6.77	10.57	508.23	499.56	495.65	488.24	474.52	511.00 (2/5)	411.53 (10/1)	539.68 (18/5/77)	90.80 (29/6/62)
46	Miscellaneous (59)	245.97	+0.6	16.91	6.84	7.42	244.59	243.28	241.21	238.01	267.71	255.99 (14/2)	211.86 (3/1)	273.91 (8/5/79)	60.39 (6/1/75)
49	INDUSTRIAL GROUP (492)	228.21	+0.4	17.94	6.94	6.80	227.36	225.97	223.64	221.70	273.01	236.37 (14/2)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	725.90	−0.5	31.72	7.10	3.48	729.19	718.59	717.02	710.11	704.23	840.16 (5/3)	668.86 (8/1)	840.16 (5/3/80)	87.23 (29/5/62)
59	500 SHARE INDEX	267.69	+0.2	20.75	6.97	5.69	267.15	265.05	262.75	260.42	308.20	282.49 (13/2)	241.13 (3/1)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	202.86	+0.7	—	6.06	—	201.40	200.80	199.74	197.70	221.25	208.18 (13/2)	175.85 (3/1)	241.41 (1/4/72)	55.88 (13/12/74)
62	Banks(6)	215.32	+1.4	45.48	7.15	2.70	212.37	213.09	216.15	214.49	265.89	236.42 (13/2)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	247.43	+1.8	—	7.75	—	243.00	233.94	228.10	227.12	270.67	247.43 (2/5)	206.50 (18/3)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	209.37	+0.7	15.69	4.74	8.28	207.93	208.73	202.81	200.97	204.05	209.37 (2/5)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	182.18	—	—	6.99	—	182.10	180.56	178.46	178.87	179.94	183.33 (21/4)	151.80 (3/1)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (9)	130.74	+0.1	—	8.23	—	130.61	129.53	127.32	124.29	157.45	135.02 (13/2)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	299.38	+0.1	16.34	6.84	8.57	298.88	299.02	296.88	295.08	329.58	305.08 (17/4)	256.48 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (14)	105.27	+1.8	—	5.93	—	103.39	102.83	101.97	101.78	108.74	106.46 (14/2)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	403.15	+0.8	3.29	2.70	43.26	400.06	399.49	395.95	392.06	375.00	403.15 (2/5)	304.20 (3/1)	403.15 (2/5/80)	56.01 (20/4/65)
70	Miscellaneous (9)	127.43	+1.0	20.52	7.38	6.20	126.21	125.42	125.27	123.73	136.56	137.13 (14/2)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	214.95	−0.1	—	6.19	—	215.21	213.24	210.98	209.25	247.55	241.41 (14/2)	188.97 (3/1)	248.31 (26/4/79)	71.63 (13/12/74)
81	Mining Finance (4)	180.97	−1.1	14.73	5.45	8.24	182.90	186.10	187.01	185.38	149.04	230.07 (13/2)	161.95 (1/1)	230.07 (13/2/80)	66.31 (30/9/74)
91	Overseas Traders (19)	380.12	—	13.19	7.10	9.27	380.20	381.10	381.38	380.94	377.45	437.34 (13/2)	330.03 (3/1)	437.34 (13/2/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX(750)	251.62	+0.2	—	6.73	—	251.01	249.48	247.59	245.39	283.82	265.72 (13/2)	225.06 (3/1)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., May 2	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	103.42	+0.24	—	3.45
2	5-15 years	108.39	+0.68	—	3.97
3	Over 15 years	112.44	+0.85	—	4.51
4	Irredeemables	127.32	+1.50	—	6.08
5	All stocks	107.76	+0.60	—	3.95

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Fri., May 2	Thur., May 1	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	12.31	12.40	9.21	13.32 (4/3)	11.79 (21/1)
2		15 years	12.19	12.29	9.92	13.12 (4/3)	11.79 (21/1)
3		25 years	12.19	12.29	10.49	13.12 (4/3)	11.79 (21/1)
4	Medium Coupons	5 years	13.99	14.05	10.61	15.37 (4/3)	13.88 (21/1)
5		15 years	13.79	13.89	11.22	14.71 (4/3)	13.31 (21/1)
6		25 years	13.67	13.77	11.45	14.58 (4/3)	13.28 (21/1)
7	High Coupons	5 years	14.11	14.20	10.94	15.44 (4/3)	14.11 (2/5)
8		15 years	14.11	14.20	11.61	15.06 (4/3)	13.76 (21/1)
9		25 years	14.11	14.20	11.73	14.92 (4/3)	13.45 (21/1)
10	Irredeemables		11.41	11.57	10.46	12.53 (21/3)	10.88 (21/1)

	Fri. May 2 Index No.	Fri. May 2 Yield %	Thur. May 1	Wed. April 30	Tues. April 29	Mon. April 28	Fri. April 25	Thur. April 24	Wed. April 23	Year ago app'x.	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	50.47	14.65	50.42	50.42	50.15	50.15	50.09	48.93	48.94	61.88	51.93 (31/1)	49.12 (7/1)	113.43 (28/10/66)	37.06 (3/1/75)
16 Investment Trust Prefs. (15)	47.48	14.21	47.48	47.48	47.82	47.82	47.85	47.81	47.81	51.86	48.43 (29/1)	46.34 (2/1)	114.41 (15/9/65)	34.45 (4/12/74)
17 Coml. and Indl. Prefs. (20)	61.34	14.64	61.27	61.66	61.54	61.61	61.81	61.78	61.72	75.60	62.27 (30/1)	60.92 (27/3)	114.96 (7/10/65)	47.67 (6/1/75)

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Food Manufacturing	29/12/67	114.13
Other Groups	31/12/74	63.75	Food Retailing	29/12/67	114.13
Overseas Traders	31/12/74	100.00	Insurance Brokers	29/12/67	96.67
Engineering Contractors	31/12/71	153.84	Mining Finance	29/12/67	100.00
Mechanical Engineering	31/12/71	153.84	All Other	10/4/62	100.00
Wines and Spirits	16/1/70	144.76	British Government	31/12/75	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	128.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £50 per copy.

CONSTITUENT CHANGES: Furness Withy (shipping) has been deleted and replaced by Automated Security (Holdings) (Miscellaneous Unclassified). Hoffnung (S.) (Overseas Traders) has been deleted and replaced by Majedie Investments (Overseas Traders).

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OFFSHORE & OVERSEAS—contd.

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41, La Motte St., St. Helier, Jersey. 0534 73588

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	46.1	49.6	−0.3	2.02
Abbey Capital	36.5	39.5xd	+0.4	5.83
Abbey General	47.3	50.6	+0.3	5.85
Abbey Gilt & F.I. Tst.	105.3	110.8	+0.3	9.60
Abbey Income	41.3	44.6	+0.2	8.80
Abbey Intl. Bd. Tst.	94.6	100.1	+0.2	5.49
Abbey Inv. Tst. Fnd.	37.2	40.2	+0.1	6.21
Equitas Prog. Trust	68.6	74.2xd	+0.1	6.04

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	87.8	92.5	....	13.27

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	75.7	81.0	+0.1	6.54
Brit. Inds. Fund	69.3	74.2	+0.4	6.42
Growth & Income	42.0	44.9	+0.3	5.61
Elect. & Ind. Dev.	37.3	39.9xd	+0.1	6.24
Allied Capital	76.8	82.2xd	+0.6	5.66
Hambro Fund	117.8	126.0	+0.7	6.40
Hambro Acc. Fund	145.0	155.2	+1.0	5.80

Income Funds

High Yield Fd.	65.6	70.2	+0.2	10.83
High Income	69.6	74.5	+0.8	8.19
A. H. Eq. Inc.	40.9	43.8	+0.4	8.20

International Funds

International	27.2	29.1	−0.1	3.72
Pacific Fund	44.3	47.4	−0.2	2.61
Secs. Of America	55.2	59.1	−0.7	2.37

Specialist Funds

Smaller Co.'s Fd.	48.4	51.8	+0.3	4.83
2nd Smlr. Co's Fd.	56.6	60.6	+0.2	4.85
Recovery Sits.	115.4	123.5xd	+0.7	6.76
Met. Min. & C'dty.	54.2	58.0xd	−0.3	5.09
Overseas Earnings	58.1	62.2	+0.1	5.47

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. April 25	202.0	215.5	....	5.74

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.2	18.1	....	7.89
Gt. Winchester O'seas	19.9	22.0	....	5.01

Emson & Dudley Tst. Mngmt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	70.8	76.2xd	....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	72.5	76.3xd	....	5.52

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	22.2	23.8	−0.3	1.00
Fixed Interest	25.0	26.4	−0.1	13.00
Growth + Income	29.8	31.4	+0.2	7.67
Special Sits.	28.3	29.8	+0.2	3.25

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	26.2	28.2xd	....	2.84
Accum. Units	32.2	34.6xd	....	2.84
J. Finlay High Income	31.6	34.0xd	....	10.50
J. Finlay Euro.Fin.	21.1	22.7xd	....	4.76
Accum. Units	26.4	28.5xd	....	4.76
J. Finlay Fd.In.Tst.	32.3	38.7xd	....	5.98
Accum. Units	39.8	42.8xd	....	5.98

Prices on April 30. Next dealing May 7.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American April 28	47.8	51.8	....	1.41
Am. T'around Apr. 28	46.2	49.2	....	2.00
Capital Tst.	51.6	55.0xd	+0.2	4.92
(Accum. Units)	52.2	55.8	+0.2	4.92
Extra Income Trust	47.8	51.0	+0.2	10.30
Income Tst.	37.4	39.8	+0.2	8.36
Int. Growth Fd.	41.8	44.6xd	−0.2	2.26
(Accum. Units)	44.6	47.6	....	2.25

Friends' Provdt. Unit Trs Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	49.0	52.4xd	+0.4	5.14
Do. Accum.	69.1	73.9	+0.6	5.14

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Apr. 17	114.3	116.6xd	+1.2	5.72
Gross Inc. Apr. 17	74.4	77.0	+0.3	11.42
High Yield Apr. 17	86.3	86.7	+1.8	10.91

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98⅞	95⅞	Treasury 3½pc '77-80	98⅞	+⅛	3.54	15.67
98½	96	Funding 5¼pc '78-80‡‡	98½	+⅛	5.31	16.00
99⅛	97⅞	Exchequer 13pc 1980‡‡	99⅛xd	+⅛	13.11	14.70
98⅛	95⅜	Treasury 11½pc 1981‡‡	98⅛	+⅛	11.71	14.22
92¼	90⅛	Treasury 3½pc 1979-81	92	+⅛	3.80	14.61
96¼	93⅞	Treasury 9¾pc 1981‡‡	96¼	.....	10.13	14.24
94⅛	91¼	Exch. 8¼pc 1981	94⅛xd	+⅛	8.76	14.12
94⅝	92¼	Exch. 9½pc 1981	94⅝	.....	10.04	14.28
90	85½	Exch. 3pc 1981	90	+¼	3.33	12.51
97⅞	96½	Treas. Variable '81‡‡	97⅞xd	.....	16.37	16.20
97⅞	95⅞	Exch. 12¾pc 1981‡‡	97⅞xd	+⅛	13.01	14.28
92	88½	Treas. 8½pc '80-82‡‡	92	+¼	9.23	13.89
87	82½	Treasury 3pc '82‡‡	87	+⅛	3.44	11.22
100⅛	96⅝	Treasury 14pc '82‡‡	100⅛	+⅛	13.99	13.90
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
149	107	Sth. Rhod. 2½pc '65-70	149	+7	—	—
157	135	Do. 6pc '78-81	157	+5	—	—

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.64	12.98
78¾	73½	Alcan 10½pc '89-94	78¾	+¼	13.83	14.65
28½	25	Met. Wtr. 3pc 'B'	27	+¼	11.31	13.32
102	89	U.S.M.C. 9pc 1982	94	.....	10.44	—
90	85½	Do. without Warrants	90	.....	10.46	14.50

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
240	183	Alexanders D. £1	240	+2	16.0	—	9.5	—
£76½	£56	Algemene Fl.100	£66½xd	+2¼	Q25%	1.9	7.6	7.1
360	290	Allen Harvey £1	360	+5	21.5	—	8.5	—
128	108	Allied Irish	110	.....	h06.09	—	7.1	—
16¼	13	Ansbacher (H.) 5p	13¼	.....	—	—	—	—
230	180	Arbuthnot L. £1	228	.....	†10.42	—	9.3	—
360	320	Bk. Ireland £1	325	.....	Q25.0	—	7.5	—
£162	£146	Do. 10pc Conv.	£150	−1	Q10%	—	F6.7	—
11	7	Bk. Leumi $0.1	8	.....	Q16%	—	—	—
120	100	Bk. Leumi (UK) £1	120	.....	8.57	—	10.7	—
178	137	Bk. N.S.W. $A1	143	+2	Q18c	3.0	6.4	5.2
305	235	Bank Scotland £1	245xd	+2	15.0	5.1	8.7	3.1
£19⅞	£16¼	Bankers N.Y. $10	£18⅞	−⅛	Q$3.30	—	8.1	—

BANKS & HP—Continued

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A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Saturday May 3 1980

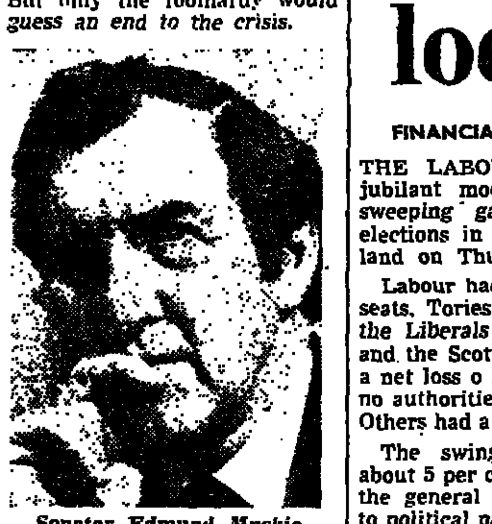
MAN OF THE WEEK

Mending America's fences

BY DAVID BUCHAN

SENATOR EDMUN DMUSKIE can be forgiven a heavy sigh as he *contemplates the foreign* policy agenda on his desk at Foggy Bottom.

The options to shape an early end to the Tehran hostage crisis look more barren than ever, after the botched rescue mission of last week. Nothing has been officially ruled out: a naval blockade of Iran's ports to stiffen by military means economic sanctions against the country is still publicly on the cards. The Administration has even refused to rule out another secret "pimpernel" operation. But only the foolhardy would *guess an end to the crisis.*



Senator Edmund Muskie
Impatience replacing patience?

Second, Mr. Muskie has to establish how he wants to shape the Carter Administration's response to the Soviet Union, in the light of certain given fac*tors: the Afghanistan invasion,* the moves set in train by President Carter to boycott the Moscow Olympics, and the fact that this is an American election year. For instance, Mr. Muskie may well want to follow the Vance line—they are both in the same moderate political mould—in seeking an early meeting with his Soviet opposite number, Mr. Andrei Gromyko, to resume a dialogue broken for many months now. Will the *White House stop Mr. Muskie* doing this as it did Mr. Vance, on the grounds this was tactically unwise during the Presidential campaign?

Third, Mr. Musike has more than a little fence-mending to do with U.S. allies, piqued about the Iran raid and worried at what Mr. Vance's departure presages. Reading about Mr. Muskie's famed irrascibility, European leaders may be concerned that impatience is replac*ing patience at the* State Department. hTis trait of Mr. Muskie bears watching. But *European governments* will quickly come to realise that Mr. Muskie is at one with them on many key policies: *the need for* a SALT 2 treaty and a dialogue with the Kremlin.

These are just a few of the issues being mulled over this weekend at Camp David, where the President has invited the Maine Senator to meet the rest of the foreign policy team. Preeminent among these is Mr. Zbeniew Brzeminksi, the national security adviser, whose pessimistic view of Soviet geopolitical ambitions has come to the fore this year with the invasion of Afghanistan and who is inherently bound to be Mr. Muskie's chief sparring partner.

But there is no hard evidence that Mr. Vance was knocked out by Mr. Brzezinski, or that in policy fights, or that the security adviser will find Mr. Muskie a pushover. While it is certainly the case that recent events (Russians in Cuba last year or in Afghanistan this year) have fitted more snugly into the Brzezinski view of the world, *and thus given him more policy-shaping importance* than he really has.

Mr. Muskie has become a personal friend in recent years of the President, a valued ally of 25 years experience *in the* Senate, and a political asset in the election campaign. Mr. Muskie says he has *not endorsed* any Democratic candidate, but his presence in the Administration will attract ethnic minorities (like Mr. Brezinski, he is of Polish origin), and Catholics, and blue collar workers. In other words, just the con*stituency Senator Edward Ken*nedy so far holds, and that Mr. Ronald Reagan might hope to gain in the general election.

Mr. Muskie says he has been assured by the President he will be the chief foreign policy spokesman for the Administration. He also candidly admitted to Senate colleagues he might not hold the job for more than *eight months. The President* apparently blanched when he heard this admission—at the very least he needs to keep Mr. Muskie for that period.

To paraphrase Lady Bracknell, to lose one Secretary of State would be misfortune, to lose two in a year would be electoral disaster.

Unabashed Hunt 'can't recall' how much he owes

BY JOHN MACKINSON IN WASHINGTON

NELSON BUNKER HUNT and W. Herbert Hunt, the Texan brothers who came close to dominating the world silver market, made a long-awaited public appearance yesterday to defend themselves vigorously against the charge that they had caused the market to collapse.

The brothers told a packed Congressional hearing in Wash*ington that they still had very* large debts, but proposed to pay them off through a loan of about *$1bn (£443m) being negotiated* with U.S banks.

Unabashed, the Hunts insisted they were victims of the silver crisis, not its creators. They blamed the sharp price fluctuations on "manipulative actions" by the commodity exchange, which regulates the silver market.

Mr. W. Herbert Hunt said *repeatedly he was an investor in* silver, not a speculator. Almost all his positions had been built up before *July 1979.*

"At no time did I attempt to corner, squeeze or manipuate the silver market," he said.

The brothers suffered huge losses when the silver price plunged from about $50 to below $10 at the end of March.

The metal's fall was accelerated by fears that the Hunt brothers would be unable to meet their silver commitments. This in turn triggered concern about the financial health of several institutions which had lent to the brothers.

Mr. W. Herbert Hunt said he *probably owed $400m to $500m,* most of it to brokerage houses.

His 18-stone brother sat *quietly during the 3½-hour hear*ing and expressed little concern about the size of his losses. He *was unable to recall how much* money he owed. "If you know how much you're worth, you're probably not worth very much."

The brothers said the banks wil make the loan to Placid Oil, a Hunt family company, secured against substantial oil and gas properties owned by Placid.

Most of the loan will be passed on to a partnership made up of Mr. Nelson Bunker Hunt, Mr. W. Herbert Hunt and their brother Lamar Hunt.

The Hunts will use the money to pay off their debts. They will also transfer to the partnership assets of about $1bn against which these current loans are secured.

The Hunts said the assets being transferred include silver, silver contracts, coal properties, stocks and equity. Mr. W. Herbert Hunt said he would transfer about $250m worth of *silver to the partnership.*

The Hunt's explanation of these billion-dollar transactions did not entirely convince the sub-committee members. Their financial plight met little sympathy.

Mr. Benjamin Rosenthal, committee chairman, told them: "The way it looks to some of us is that the Federal Reserve Board is shepherding a $1bn loan so that you can hold on to your silver in a depressed market."

● Silver and gold prices were modestly higher in London yesterday, and moved further ahead in the U.S. markets later on. The London bullion spot price for silver was fixed 48.6p higher at £5.79 ($13.10) a troy ounce. Gold gained $15 in London to close at $512.5 an ounce, and rose later in New York.

Labour jubilant with local poll results

FINANCIAL TIMES REPORTER

THE LABOUR Party was in jubilant mood yesterday after *sweeping gains in the local* elections in England and Scotland on Thursday .

Labour had a net gain of 476 seats, Tories a net loss of 393, *the Liberals a net gain of 75,* and the Scottish National Party a net loss o f92, leaving it with no authorities under its control. Others had a net loss of 71 seats.

The swing to Labour was about 5 per cent, compared with the general election, according *to political party estimates. This* was on a poly of about 40 per cent, slightly higher than usual in local elections.

If that swing were repeated *uniformly in a general election,* it would result in a Labour Government with an overall Commons *majority* of one to 20 seats.

None the less, the Conservatives said the results were not as bad as they had feared. The swing against them was less than expected.

Labour was returned to power in most main English and Scottish cities, including Glasgow, Aberdeen, *Birmingham* and Leeds, seen by the parties as the key prizes.

Labour gained control of the Association of Metropolitan Authorities. That with the party's greatly increased power bases in the cities, will mean increased opposition to planned public spending cuts.

Mr. Roy Hattersley, Opposi*tion environment spokesman,* sad yesterday it would now be impossible for the Government to penalise high-spending local authorities.

"The Labour councillors elected could not have made more plain their intention to protect the services in their areas, even if that meant rate increases to compensate for *funds denied them by Tory* central Government. The electorate has endorsed that policy.

"People have voted to preserve their schools, old people's homes and clinics. Labour councils will use every legal means at their disposal to resist any attempt by the Government to impose cuts," he said.

Lord Thorneycroft, Conservative Party chairman, said Labour won only about half the seats the party had hoped for. "The results show the country has by no means lost faith in the ultimate benetfi of the new course which the Government has set and is determined to maintain."

Mr. David Steel, Liberal leader, said his party had gained more seats than it expected. That vindicated the *party's belief that local elections* should be fought on local rather than national issues.

In Scotland, three-quarters of the Scottish National Party's councillors lost their seats.

Mr. Graham Macmillan, director of the Tory Scottish Central Office, said that although in terms of seats the Conservatives had suffered badly in the country, *their share of the vote* had not fallen significantly below the general election figure of 31 per cent.

Details and map, Page 4

Reserves at record $28.01bn

By David Marsh

THE UK *official* reserves rose by more than $1bn last month to a record $28.01bn.

Most of the increase arose from a fresh revaluation of part of Britain's gold holdings, but there was a further moderate inflow of funds into sterling on foreign exchange markets.

The underlying rise in reserves last month—after taking account of revaluations and foreign borrowing transactions—was$242m, the smallest monthly increase of the past five months.

However, it take net inflows to around £1.9bn since the end of November—a *period in which sterling* has risen by almost 5 per cent on a trade-weighted basis against a basket of other currencies, thanks mainly to higher North Sea oil prices and firm UK interest rates.

This inflow represents the sum of money other central bank transactions besides intervention on the exchange *market. Nonetheless,* a significant part of it reflects Bank of England purchases of foreign currencies to smooth the upward rise of sterling over this time.

New U.S. jobless rise

BY DAVID BUCHAN IN WASHINGTON

UNEMPLOYMENT in the U.S. rose to 7 per cent of the workforce last month, *from* 6.2 per cent in March, the Government reported yesterday.

It was the sharpest monthly increase in the jobless rate for *five years, the highest level in* 2¼ years, and a further sign that the economy is moving towards recession.

Taken with other evidence this week of rising business inventories and sharp declines in factory orders and in the *Government's forecasting index,* the latest figures have begun to sow doubt about the Carter Administration's prediction of a "mild and short" recession in 1980-81.

By April, the jobless rate had already jumped almost to where the Administration predicted it would be by the fourth quarter this year: 7.2 per cent. Ironically, only two months ago, the Government cut its unemployment forecast for the end of htis year from 7.5 per cent.

Administration economists have claimed that conditions for a repeat of the severe 1974-75 recession do not now exist. No big build-up of inventories is handinging over the economy, *they have said,* and real growth should dip only by 0.4 per cent this year.

oHwever, Mr. Alfred Kahn, a White House economic adviser, has talked openly, recently, of the unemployment *rate's rising* to 8 pe rcent early next year. It is also noteworthy that the last time there was a bigger monthly unemployment rise was in January, 1975, when it rose 0.9 per cent.

The Administration accepts that only a recession could reduce the rate of inflation, labelled by President Carter and his advisers the "number one economic worry."

Between January and March this year, the rate of consumer price rises ran at an 18.1 per cent compounded annual rate. But earlier this week,

The number of Americans without jobs rose by 825,000 to 7.3m, while the actual num*ber of those with jobs fell by* 500,000 to 97.2m. More than half the drop last month in *employment* came in durable goods industries, down by 265,000. Half of that, in turn, was in the car industry.

Prime rates, Page 2

Continued from Page 1

BL salary

last year when a sub-committee of the BL board, under the chairmanship of Mr. MacGregor, considered who should succeed Mr. Edwardes if he left.

*He has been on second*ment from Chloride since he joined BL and it was eventually agreed *that* this arrangement should be extended from its original terminal date this November to next March, at a salary of £57,200 a year.

Weather

UK TODAY

MAINLY DRY with sunny intervals. Southern counties cloudy with showers.

England, South Wales, Channel Islands

Cloudy, scattered showers. Thunder in places. Max. 16C (61F).

Rest of Britain

Dry, cloudy, sunny intervals. Max. 17C (63F).

Outlook: Little change.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	18	64	London	C	12	54
Algiers	S	22	72	Los Ang.			
Amsdm.	S	13	55	Luxmbg.	R	13	55
Athens	C	19	66	Luxor			
Bahrain	S	29	84	Madrid	C	18	64
Barclna.	S	19	66	Majorca	F	19	66
Beirut	F	36	97	Malaga	S	20	68
Belfast	F	13	55	Malta	F	18	64
Belgrd.	F	17	63	M'chstr.	F	12	54
Berlin	C	8	46	Melbne.	S	14	57
Biarritz	S	18	64	Mex. C.			
Bmghm.	C	8	46	Milan	F	20	68
Blackpl.	F	15	59	Montreal.	S	16	61
Bordx.	F	14	57	Moscow	R	3	37
Boulgn.	C	14	57	Munich	F	15	59
Bristol	C	11	52	Nairobi	C	20	68
Brussels	S	15	59	Naples	F	20	68
Budpst.	F	18	64	Nassau			
B. Aires	C	14	56	Nwcstl.	C	10	50
Cairo	S	38	100	N. York	S	17	63
Cardiff	F	12	54	Nice	S	17	63
Cas'bl'ca	S	20	68	Nicosia			
Cape T.	C	21	71	Oporto	R	13	55
Chicago	C	13	55	Oslo	F	16	61
Cologne	F	17	63	Paris	C	12	54
Cpnhgn.	S	11	52	Perth	S	23	73
Corfu	F	19	66	Prague	C	11	52
Dublin	F	11	52	Reykjvk.	C	9	48
Dbrvnk.	F	18	64	Rhodes	F	19	66
Ednbgh.	F	10	50	Rio J'o	C	27	81
Faro	F	18	64	Rome	F	19	66
Florence	C	20	68	Salzbrg.	F	18	64
Frankft	F	20	68	S. 'cisco			
Funchal	F	20	68	S. Mriz.			
Geneva	F	15	59	Singapr.	C	30	87
Gibrltr.	S	19	66	Stckhm.	S	10	50
Glasgow	F	13	55	Strasbg.	C	15	59
G'msey	R	9	48	Sydney			
Helsinki	S	7	45	Tangier	S	20	68
H. Kong	C	25	77	Tehran	S	18	64
Innsbrk.	C	17	63	Tel Aviv	C	25	77
Invrnss.	C	9	48	Tenerife	C	15	59
I.o.Man				Tokyo	S	17	63
Istanbul	R	16	71	Toronto	S	17	63
Jersey	R	9	48	Tunis	C	23	73
Jo'burg	S	21	71	Valencia	S	21	70
L. Plms.	F	22	72	Venice	F	20	68
Lisbon	C	15	59	Vienna	S	15	59
Locarno	F	17	63	Warsaw	R	6	43
Zurich	C	12	54				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Continued from Page 1

Joseph faces vote

over the liquidation of the nationalised steel sector: "My primary mission is to support British industry with a sufficient supply of steel for the engineering industry. It is difficult to envisage *running* British industry on imported steels."

BSC's home market share has declined from 54 to about 45 per cent in the aftermath of the three-month steel strike. Mr. MacGregor hinted that he might be prepared to accept a permanently lower market share in tonnage if BSC could strengthen its grip on the high-value special steels and alloy sectors.

Though he stressed several times at his Press conference *that he had done no more than* look at BSC's problems in general terms, it is clear from *a number of his remarks that he* is already remarkably well-informed about it. In obvious *references to BSC surplus capa*city in some areas of bulk steel-making, he said that production of large tonnages of the low-priced common, or carbon, steels was not the way to create *profits.*

He hoped that under his chairmanship BSC would move into "*a pre-eminent position* in the high-technology alloy steel." the high-technology alloy *steels.*"

The Government or EEC institutions must finance considerable new investment in pulant if BSC were to adopt a new policy of moving "up-market" in production.

Mr. MacGregor said his style in industrial relations had always been to persuade all the people in the business to work for the same goal. He looked forward to meeting the leaders of the iron and steel unions.

Alfred Herbert makes £16m loss

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

ALFRED HERBERT, the state-owned machine tool group, *made a loss of nearly £5.3m last* year which was swollen to £16m after provision had been made for rationalisation costs.

This must raise doubts about *the ability of the group to see* through its latest rationalisation programme. The Government has said *it will not make any* more money available to Alfred Herbert through the group's shareholder, the National Enterprise Board.

A statement from the Board of Alfred Herbert last night said the loss before tax and extraordinary items was due to "the effects of the engineering strike, the need for additional stock provisions in respect of certain discontinued product lines as part of the policy of concentrat*ing on high technology,* and some erosion of profit margins in the current economic climate."

The extraordinary items arose "mainly from provisions made for losses on the disposal of parts of the business which are not essential to the mainstream machine tool activities, and from provisions for redundancy *and other reorganisation costs.*"

Alfred Herbert belatedly decided to stake its future on advanced - technology machine tools, and started to introduce new models about 18 months ago.

The latest were unveiled at the machine tool exhibition that closed in Birmingham yesterday. The machines have been well received for their tech*nical qualities,* but they are being launched at a time of mounting price competition

Alfred Herbert *also* found itself with high stocks of standard machine tools which it has been almost impossible to sell off at a decent price.

In January this year, the group announced a big rationalisation programme, involving *the loss of another 700 jobs,* and plans to dispose of certain subsidiary companies in the future. Mr. Peter Rippon, chairman, admitted that the programme represented the group's "last chance." Herbert has received well over £40m in taxpayers' money since it was rescued five years ago.

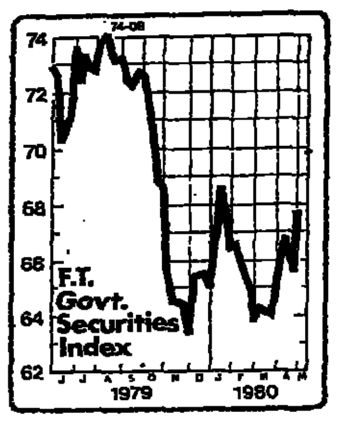
THE LEX COLUMN

Financing growth at Rolls-Royce

The gilt-edged market was again creeping ahead yesterday—the fifth successive day of advance—and not even a new tap stock could disturb the Bank Holiday mood. No one had really been expecting the authorities to let another Friday pass without an issue, and Exchequer 13¼ per cent 1992, the third stock in a row to be brought out with a 13¾ per cent coupon, *had hardly any effect* on prices.

Equities closed the week quietly after a fairly firm performance—oil shares have noce again been the most active sector.

Index rose 0.4 to 443.6



Rolls-Royce

The accounts of Rolls-Royce *Limited will come in for special* scrutiny this year because of the allegations that were flung around *at the time of its* squabble with the National Enterprise Board. Unfortunately, they give little real *indi*cation of the underlying state of the business.

The published loss in £58.4m before tax, against a profit of £11.7m in 1978. But what is not disclosed is the extent of the extra launch aid received from the Government during the year, and this makes it impossible to compare the figures. *The reason is that the Govern*ment decided last year to provide £192m at 1978 prices over the period 1979 to 1982 to support the RB 211 development. The only indication of the possible impact on the profit and loss account is that the group's share of research and development costs has dropped by nearly £21m.

In addition, one can search in vain for any reference to current cost accounting, although *it is clear that the* loss would be significantly greater on this basis, not least because the group is still using £111m of assets which have been fully written off. And there is not much clarification about Rolls-Royce Finance, a new subsidiary which "has entered into arrangements for the financing of purchases by *certain customers*" and which, with the auditors' tacit approval, has not been consolidated.

Despite these omissions, it is clear that the group is gobbling up cash at a great rate, and will continue to do so for at least the next two years. In particular, the need to treble output of the RB-211 engine between 1979 and 1982 is having *a dramatic effect on net* working capital. Following a period in which Rolls-Royce's requirements had actually been declining in money terms, this figure jumped by £60m in 1979 and it could increase again this year by well over £100m.

*Add in annual capital spend*ing—£50m, and rising—plus the expectation of further losses in 1980, and the net cash outflow from the balance sheet this year could well approach £200m. This lies behind the Government's announcement earlier in the week that a further £180m of support would be forthcoming in 1980. This *figure includes £33m of past* NEB loans, which are to be capitalised, and a broadly similar amount arising from a decision to abolish the Government's levy on firm orders for the RB-211. There is also bound to be more equity coming from the taxpayer, and the group has *given* itself some leeway by increasing its authorised capital from £250m to £400m.

Although there will be a *further heavy cash outflow* in 1981, Rolls-Royce hopes to be back in profits by then, and it is still looking for substantially improved returns quite soon thereafter. Meanwhile the key to it all remains the trend in productivity, which has to *improve* sharply, and here it seems that the message might have been rather encouraging—but for the engineering strike.

M & G

The cost to M & G's shareholders of its foreign life fund fiasco is now put at a total of £3.7m, compared with December's upper estimate of £7m. This improvement is the result of M & G's success in persuading relevant policyholders to surrender their contracts. But it does not mean that the terms on which merchant bankers Kleinwort Benson agreed to *support the group amounted* to rape. When Kleinwort came in, there was no clear idea at all of *the potential liabilities on these* policies. The only certainty was that the crisis was severe, and had to be resolved in a matter of days.

Now all that is in the past—but M & G is still going to have to go steady for a little while. It says its reserves are "barely adequate" for a group managing or advising funds of £1bn.

Alfred Herbert

*In 1979 Alfred Herbert's re*sults were slipped out late on Maundy Thursday. This year the company has chosen the Friday night before the May Bank Holiday, another time when most citizens have far better things to do than peruse the results of troubled machine tool companies which, *through the NEB,* they are privileged to own. Following the announcement of the last chance survival programme in January, the *results are predictably awful.* Turnover was up no more than 3 per cent for calendar 1979, *after being 12 per cent better* at the half-way stage, while the engineering strike helped to *swell losses from £3.2m pre-tax* to £5.3m, including £4.4m in the second six months. And that is not half of the bad news, for stock writedowns and redundancy and other provisions have swollen the attributable loss to £16m.

In the 1960s and 1970s successive Governments had love affairs with the machine tool industry, and the rescue of Herbert in 1975 owed much to the presumed importance of the group within the economy. It has proved a highly expensive investment, and sales have dwindled in real terms. Herbert's "countercyclical" *stockpile of machines* has never encountered the upturn which could have cleared it at a profit Early last year the NEB put in another £8.3m but new and less sympathetic faces have since taken over and only positive achievements ca nsave Herbert now.

In all, Herbert seems to have run through well over £40m of Government money in the past five years. Although it is certainly not in the scale of a Rolls-Royce in its cash demands, neither is it of key economic importance. Herbert can probably shake out some cash from its stocks for a short time, but a great deal depends on the reception given to its newer numerically controlled products.

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